

Corporate Office :

Giriraj Annexe Circuit House Road
HUBBALLI - 580 029 Karnataka State
Phone : 0836 2237511
Fax : 0836 2256612
e-mail : headoffice@vrllogistics.com

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
Scrip code: 539118

National Stock Exchange of India Limited
Exchange Plaza, Plot No.C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip code: VRLLOG

Dear Sir / Madam,

Sub: Annual General Meeting (AGM) - Annual Report for F.Y. 2021-22 and Notice of the 39th Annual General Meeting.

Annual Report 2021-22 and Notice of 39th AGM:

In accordance with Regulations 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform you that the 39th Annual General Meeting of the Company would be held on Wednesday, 10th August 2022 at 4:00 p.m. at the Registered Office situated at RS No.351/1 Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur),Karnataka. We enclose herewith the Annual Report for F.Y. 2021-22 alongwith Notice of the 39th Annual General Meeting. The said Annual Report alongwith the Notice, Proxy form, Attendance Slip and E-Voting instructions is also available on the Company's Website: www.vrlgroup.in

You are requested to kindly take note of the same.

Thanking you,
Yours faithfully
For VRL LOGISTICS LIMITED



ANIRUDDHA PHADNAVIS
COMPANY SECRETARY AND COMPLIANCE OFFICER

Date: 16.07.2022

Place: Hubballi





ANNUAL REPORT
2021-22



VRL LOGISTICS LIMITED

OUR VISION

To become the Premier Company that cuts across various segments and emerges as the torchbearer of each segment that it ventures into

OUR MISSION

To provide the highest quality service to our customers by continuously increasing cost efficiency and maintaining delivery deadlines. To encourage our workforce to continuously strive for quality and excellence in everything they do. To promote team work and create work environment that encourages talent and brings out the best in our employees.

QUALITY POLICY

We are committed to provide quality logistics services consistently at reasonable price and to continuously improve the same to achieve customer delight on a sustained basis.

Hubballi Head Office



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DISCLAIMER

This Annual Report may contain certain forward looking statements about the Company. Although the Company believes its expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. These forward looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from those in such statements, many of which are beyond the control of the Company including, among other things, changes in general economic conditions, exchange rate fluctuations, fuel price fluctuations, the impact of business conditions in the Indian market, including those related to competition, price controls and price reductions, exposure to environmental liability, regulatory requirements and the like.



COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Vijay Sankeshwar
Chairman and Managing Director

Dr. Anand Sankeshwar
Managing Director

Mr. K. N. Umesh
Executive Director

Mr. L R Bhat
Executive Director

Dr. Prabhakar Kore
Independent Director

Mr. Gurudas Narekuli
Independent Director

Mrs. Medha Pawar
Independent Director

Mrs. Smriti Bellad
Independent Director

Dr. Anand Pandurangi
Independent Director

Mr. Shankarasa Ladwa
Independent Director

Dr. Raghottam Akamanchi
Non-executive Director

Dr. Ashok Shettar
Non-executive Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
Company Secretary & Compliance Officer

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Shankarasa Ladwa - Chairman
Mrs. Medha Pawar
Mr. Gurudas Narekuli

FINANCE COMMITTEE

Dr. Vijay Sankeshwar - Chairman
Dr. Anand Sankeshwar
Dr. Raghottam Akamanchi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Shankarasa Ladwa - Chairman
Dr. Raghottam Akamanchi
Mrs. Medha Pawar

NOMINATION & REMUNERATION COMMITTEE

Mr. Shankarasa Ladwa - Chairman
Dr. Anand Pandurangi
Dr. Ashok Shettar
Mrs. Medha Pawar

CSR COMMITTEE

Dr. Vijay Sankeshwar - Chairman
Dr. Prabhakar Kore
Dr. Anand Sankeshwar
Mrs. Medha Pawar
Dr. Raghottam Akamanchi

ADMINISTRATION COMMITTEE

Dr. Vijay Sankeshwar - Chairman
Dr. Anand Sankeshwar
Mrs. Medha Pawar
Dr. Raghottam Akamanchi

RISK MANAGEMENT COMMITTEE

Dr. Vijay Sankeshwar - Chairman
Mr. Shankarasa Ladwa
Mrs. Medha Pawar
Mr. K. N. Umesh
Mr. L R Bhat
Mr. Sunil Nalavadi
Mr. Raghavendra Malgi - Vice President (Accounts)

REGISTERED OFFICE

RS. No.351 /1, Varur, Post Chabbi,
Taluk Hubballi, District Dharwad,
Hubballi - 581 207, Karnataka
Phone: 0836-2237613,
Fax: 0836-2237614
E-mail: varurho@vrllogistics.com
Website: www.vrlgroup.in

CORPORATE OFFICE

Giriraj Annexe, Circuit House Road
Hubballi - 580 029,
Karnataka
Phone: 0836-2237511
Fax: 0836-2256612
E-mail: headoffice@vrllogistics.com

STATUTORY AUDITORS

M/s Kalyaniwalla & Mistry, LLP
Chartered Accountants
Mumbai

COST AUDITOR

M/s S K Tikare & Co,
Cost Accountants, Belagavi

SECRETARIAL AUDITOR

Mr. R Parthasarathy
Company Secretary
Bengaluru

REGISTRAR & TRANSFER AGENTS

Kfin Technologies Limited.
Selenium Tower B,
Plot No. 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032

BANKERS

SVC Co-Operative Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
Axis Bank Ltd.
The Federal Bank Ltd.
HDFC Bank Ltd.
State Bank of India

LEGAL ADVISOR

Mr. R B Gadagkar
Advocate



CHAIRMAN'S MESSAGE



Dear Members,

I present to you the Annual Report for the financial year 2021-22.

The year gone by presented its challenges and I take pride in stating that your Company not only overcame these but also emerged successful in achieving its highest ever profitability. The first quarter of the fiscal presented a daunting scenario wherein the pandemic again raised its ugly head and this time different states had implemented their own differing policies to manage its brunt. Transportation activity was being permitted across the country however business volumes had plummeted thereby presenting us with a grim scenario of patchy demand across the country. We were better prepared and having learnt our lessons in the earlier year, we could respond better to these challenges.

The Company had reported a loss of Rs.6.04 crores during the first quarter ended June 2021. The subsequent opening up of the markets presented us new opportunities and our proper planning helped us to achieve higher freight volumes in the subsequent quarters. The Company's resilience was aptly demonstrated given that we closed the fiscal with a healthy profitability of Rs.160.11 crores for the full financial year.

Freight volumes increased considerably and there is a consolidation phase that our industry is going through. Many of the small fleet owners could not sustain the pandemic presented challenges and have either curtailed their operations drastically or have completely closed down. Organized operators like your Company stood to benefit from these and this same is expected in the current year as well.

I have been lamenting about the lack of strength in the implementation of GST laws in my earlier annual messages and this time around I am happy to state that the enforcement of the GST law has gathered teeth and this is expected to only further strengthen in the near medium term. The implementation of the e-waybill provisions is being monitored and regulated meticulously across India by the enforcement authorities and the gradual reduction of thresholds for e-invoicing is expected to further bring more and more small and mid-size businesses into the GST compliant fold. This will again present a good business opportunity to organized players like us given that the significant portion of our business is sourced from the MSME businesses. It would not be out of place to mention here that we have now started getting significant volumes of commodities such as leather goods, betel nut, coconut products, incense products which were earlier not being moved by us and were the exclusive domain of the unorganized sector. Your management was cautious about network expansion given the constraints of local competition and unhealthy uncompliant competition. However given the above developments, we have now decided to aggressively push for network expansion in areas where our presence is limited.

We have identified several locations in Eastern India for opening up new branches as also certain towns and areas in the vicinity of our existing network that present potential to garner additional freight volume. Our regional incharges were tasked with the identification of such newer markets for us and we commenced our branch expansion in the second half of the financial year. By the end of the fiscal we have already added 91 branches and would look at further expansion into select pockets of Eastern India as also the North Eastern States. We would also look to improve our network density in existing geographies. All these would lead to addition of many new customers and help servicing existing customers for their business in the area covered by our new branches.

To back the expansion plans, we have also firmed up a massive 1600 vehicle order with Tata Motors and Ashok Leyland for the supply of vehicles of varying sizes to cater to the higher business volumes expected to be moved. The supply of these vehicles would commence soon and is expected to conclude within an 18 month horizon. The vehicle body building team is already geared up to attend to this work. The order also includes an addition of significant number of Trailer vehicles which would be used to move parcels over routes having higher load volumes to improve our service levels.

Also, I have initiated the area expansion of certain key hubs across the country so that higher freight volumes expected can be serviced directly to a larger number of branches from such hubs. This would bring down the transit time of consignments as also reduce their handling and facilitate better and faster service to customers. We are also expanding the size of godowns of certain key branches across the country to support business growth. A conscious focus on certain key corporate clientele has also begun for the servicing of their pan-India consignment deliveries.

My team is extensively travelling across the country and continuing to hold regional meetings to encourage the local managers to generate more business. Concentrated local level consignee focused marketing has always yielded results and I would continue to drive our employees to engage more and more with the customers. Area Heads and even branch

inspectors are being advised to meet with customers and potential customers to drive growth. Our management tracks the number of customers based on their GST registration and I am happy to state that since the opening up of the markets we have added a substantial new B2B customer base in our fold which is expected to drive in higher business volumes in the coming days.

Given all of the above I am confident of achieving significant volume growth in the near medium term with such network expansion. I have directed that regional level marketing be aggressively done in the new branches to garner freight volumes.

We had taken a freight rate hike during April 2021 and have not since increased the rates. The constant increase in fuel rates may lead to a small margin reduction but we will remain cautious in our price escalation decision considering our expansion plans. Your management has adopted wait and watch approach on the freight rate increase and is monitoring the fuel price situation as also the overall cost movement and would decide upon this opportunely.

Another significant development during the year was the decision taken on disposing off the wind power undertaking of the Company. The said project has a balance useful life of around 4-5 years and the realization of sale consideration thereof can be applied to meet the capex requirement for fleet addition. The management team was successful in selling off the eligible accrued carbon credits and the realization of this revenue occurred in the last quarter of the fiscal. An interim dividend of Rs.8/- per share was also declared by the Company at the end of the third quarter in line with our practice of earlier years.

The operations of the Bus Operations division were markedly better than that of the earlier pandemic affected year. Though the first quarter opportunity was lost to the pandemic the said division has achieved good revenues for the year and we would adopt a wait and watch approach and assess the strategy to be adopted in respect of this division considering the performance over the next few quarters.

With regard to vehicle scrapping, we have proactively begun the scrapping of older vehicles. A total of 141 vehicles were sold / scrapped during the financial year. As of the end of March 2022 your Company has 1265 vehicles which are older than 15 years and we would consider whether to scrap these or take the vehicles up for fitness assessment to continue their utilization in due course on a case to case basis. To meet the eventuality of vehicle scrapping reducing our fleet capacity we have already placed orders for new vehicles as stated earlier. We would thereby continue to ensure the availability of our owned fleet for our operations at all times.

Overall, I see a potential for considerable business growth going ahead.

I request you to go through the Annual report and send your queries to investors@vrllogistics.com. I invite all the members to join us at Hubballi at your Company's Annual General Meeting on the 10th of August 2022, where we would seek your guidance and suggestions. As always, I sincerely thank our shareholders for their trust, support and confidence in us. A special note of thanks to our employees who braved the pandemic and stood strongly at their branch posts even during these difficult days for the Company's sake. I acknowledge that their absolute dedication and efforts are the Company's biggest strength. I also take this opportunity to express my gratitude to all the other stakeholders including Customers, Suppliers, Bankers, Government Authorities, Regulators and the management team including my peer Directors on the Company's Board for their hard work and commitment and seek the continued association of one and all for the Company's advancement in the days to come.

Sincerely,

DR. VIJAY SANKESHWAR
CHAIRMAN & MANAGING DIRECTOR



VRL LOGISTICS LIMITED

Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi (Karnataka) - 581 207
(18th KM, NH-4, Bengaluru Road, Varur)

Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com

CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of **VRL Logistics Limited** will be held on Wednesday, 10th August 2022 at 4:00 p.m. at the Registered Office of the Company situated at RS No.351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur, Hubballi – 581207), Karnataka to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements as at 31st March 2022 and the reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend paid on Equity Shares as the Final Dividend for the financial year ended on 31st March 2022.
3. To appoint a Director in the place of Dr. Raghottam Akamanchi (DIN: 07038738) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. K. N. Umesh (DIN: 02602595), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution**

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and subject to provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), and Article 93 of the Articles of Association of the Company and obtaining of such other consents, approvals and permissions as may be necessary, consent of the members be and is hereby accorded for the re-appointment of Mr. L. R. Bhat (DIN: 01875068), aged 63, as a Whole-time Director of the Company for a period of five years with effect from 4th August 2022, on a monthly remuneration not exceeding Rs. 13,50,350/- (inclusive of perquisites as stated in explanatory statement) or such revised remuneration as may be determined by the Board on recommendation of the Nomination and Remuneration Committee for a initial period of three years and on such other terms and conditions as set out in the appointment agreement with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope and in compliance with Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed between the Company and Mr. L. R. Bhat. a draft copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits or inadequacy of profits, in compliance with Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and subject to provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), and Article 93 of the Articles of Association of the Company and obtaining of such other consents, approvals and permissions as may be necessary, consent of the members be and is hereby accorded for the re-appointment of Mr. K. N. Umesh (DIN: 02602595), aged 68, as a Whole-time Director of the Company for a period of five years with effect from 19th May 2022, on a monthly remuneration not exceeding Rs. 13,50,350/- (inclusive of perquisites as stated in explanatory statement) or such revised remuneration as may be determined by the Board on recommendation of the Nomination and Remuneration Committee for a initial period of three years and on such other terms and conditions as set out in the appointment agreement with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope and in compliance with Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed between the Company and Mr. K.N. Umesh. a draft copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits or inadequacy of profits, in compliance with Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of Companies Act, 2013 read with Rules thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), as recommended by the Nomination and Remuneration Committee and by the Board of Directors, consent of the Members be and is hereby accorded for the continuation of Dr. Prabhakar Kore (DIN: 00509836) as an Independent Director of the Company till the conclusion of his term upto 31st March 2024, notwithstanding the fact that on 1st August 2022, he attains the age of 75 years;

RESOLVED FURTHER THAT the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary for giving effect to this Resolution."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended by the Audit Committee and approved by the Board of Directors, the remuneration of Rs.70,000/- (Rupees Seventy Thousand only) excluding applicable taxes and out of pocket expenses as applicable, payable to M/s. S. K. Tikare & Co, Cost Accountants (Firm Registration No.101039), who were appointed as the Cost Auditors of the Company for the Financial Year 2022-23, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**By order of the Board of Directors
For VRL Logistics Limited**

Aniruddha Phadnavis

Company Secretary & Compliance Officer

Date: 16th July 2022

Registered Office:

RS No. 351/1, Varur, Post Chabbi, Taluk
Hubballi, District Dharwad, Hubballi - 581 207
(18th KM, NH-4 Bengaluru Road, Varur,
Hubballi - 581 207)

KARNATAKA

CIN:L60210KA1983PLC005247

e-mail: investors@vrllogistics.com

NOTES

1. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 and extant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to the special business to be transacted at the Annual General Meeting ('AGM'), as set out in the notice, is annexed hereto.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend, and on a poll, to vote instead of himself/herself and such proxy need not be a member of the company.
3. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of the companies & other entities, must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days advance notice in writing is given to the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all the members. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to the voting that may take place at the Meeting on Wednesday, 10th August 2022.
6. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution/duly executed authorization document, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply to the same in the meeting.
8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the Annual General Meeting of the Company.
9. The said Notice of AGM along with Annual Report, the Attendance Slip and Proxy Form have been sent to Members whose names are recorded in the Register of Members/Register of Beneficial owners as on 8th July 2022 by permitted/requisition mode individually at their registered postal address/sent electronically at their e-mail address available with the Company or with the Depository Participant(s).
10. The Notice calling the 39th AGM has been uploaded on the website of the Company under the 'Investors Desk' Section under "Notice, Forms & Voting Result" tab. The Annual Report is also available under the 'Financial Results' under the "Annual Report" tab. The Notice can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively.
11. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for participation at the meeting.
12. In case of joint holders attending the Meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.

13. Relevant documents referred to in the accompanying notice, are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the meeting.
15. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent, KFin Technologies Limited (hereinafter referred to as "KFin"), in respect of shares held in physical form.
16. Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, KFin in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform KFin immediately of the change in residential status on return to India for permanent settlement.
 - (d) Register their email address/bank details/mobile number and changes therein from time to time with Kfin for shares held in physical form and with their respective Depository Participants for shares held in demat form.
 - (e) Quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, KFin Technologies Limited. (Unit: VRL Logistics Ltd.), Plot 31-32, Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
 - (f) Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e., 3rd August 2022 may obtain the login id and password by sending a request at evoting@kfintech.com.
17. In accordance with the provisions of Section 72 of the Companies Act, 2013, read with Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014 made thereunder, members are entitled to specify nominations in respect of the Equity Shares held by them, in physical form. Members desirous of specifying nominations may procure the prescribed form (Form SH 13) from the Company's Registrar & Share Transfer Agents, KFin and have it duly filled and sent back to them.
18. In support of the Green initiative by Ministry of Corporate Affairs and pursuant to section 101 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, electronic copy of the Annual Report is being sent to all Members whose email ID's are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members, who have not registered their email address, physical copies of the Annual Report are being sent to them in the permitted / requisitioned mode.
19. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.
20. In terms of Article 100 of the Articles of Association of the Company Mr. K. N. Umesh, Executive Director and Dr. Raghottam Akamanchi, Non-Executive Director retire by rotation and being eligible, offer themselves for re-appointment.
21. Information required under Regulation 36 of SEBI Listing Regulations, in respect of Directors seeking Appointment/Reappointment at the AGM is furnished as annexure to this Notice. The Directors have furnished the requisite consent/declarations for their appointment/re-appointment as required under the Act and rules made thereunder.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account

Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form can submit their PAN to the Company / KFin.

23. SEBI, vide its circulars dated November 3, 2021 and December 14, 2021, has mandated the listed companies to have PAN, KYC, bank details and Nomination details of all the Members who are holding shares in physical form. Folios wherein any one of the cited details/documents i.e., PAN, KYC details, Bank Details and Nomination details are not available with us, on or after 1st April, 2023, shall be frozen as per the aforesaid SEBI circular. Members holding physical Securities can access the said forms from the website of our Company's RTA or on the website of the Company under the tab 'Investor Desk' available at www.vrlgroup.in to register PAN/ email id/bank details/Nomination details/other KYC details viz., Form ISR 1, Form ISR 2, Form ISR 3, Form SH-13 or may contact their respective Depository on the said matter.
24. SEBI vide its notification dated January 25, 2022 and in accordance with the proviso to Regulation 40(1) of the SEBI (LODR) Regulations 2015, it has been duly informed that the transfers of securities of the Company including transmission and transposition requests shall not be processed unless the securities are held in the dematerialized form with their respective Depository Participant. Therefore, shareholders holding equity shares in physical form are advised to have their shares dematerialized so as to be able to freely transfer them to eliminate all risks associated with the physical holding.
25. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
26. The Board of Directors of the Company vide its resolution passed on 27th May, 2022 has appointed Mr. Akshay Pachlag, Company Secretary (Membership No.30741, COP No: 11710) as the Scrutinizer to scrutinize the Insta-Poll and remote e-voting process in a fair and transparent manner at the Annual General Meeting.
27. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e.3rd August 2022.
28. As recommended by the Board, Interim dividend paid during the year is proposed to be considered as the Final Dividend for the year.
29. Pursuant to the amendments introduced in the Income-tax Act, 1961 ('the Act') vide Finance Act, 2020, w.e.f. April 1, 2020, dividend declared, paid or distributed by a Company on or after 1st April 2020 shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct TDS/ WHT at the time of payment of dividend at the applicable tax rates. The rates of TDS/ WHT would depend upon the category and residential status of the shareholder.
30. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e.3rd August 2022 only shall be entitled to avail the facility of remote e-voting / Insta Poll.
31. The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: From 9.00 a.m. (IST) on 7th August 2022
End of remote e-voting : At 5.00 p.m. (IST) on 9th August 2022.
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of the aforesaid period.
32. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta-Poll) and through remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The voting results along with the consolidated scrutinizer's report shall be placed on the website of the Company www.vrlgroup.in and on the website of KFin <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the Stock Exchanges.
33. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access the e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL	Individual Shareholders holding securities in demat mode with CDSL
<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” Click on the e-Voting service provider name KFin and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select “Register Online for IDeAS” or click at https:// eservices.nsdl.com/ Secure Web/ IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e.KFin. On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period. 	<p>1.Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and \ password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e KFin where the e-Voting is in progress.

Individual Shareholders can login through their demat accounts / Website of Depository Participant

1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
3. Click on options available against company name or e-Voting service provider – KFin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID / Password are advised to use “Forgot user ID” and “Forgot Password” option available on the above-mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

NSDL	CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM - 5

RE-APPOINTMENT OF MR. L. R. BHAT (DIN: 01875068) AS A WHOLE TIME DIRECTOR OF THE COMPANY

Mr. L. R. Bhat was appointed as Whole-time Director of the Company w.e.f. 4th August 2017 for a period of five years and the said tenure expires on 3rd August 2022.

Pursuant to recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company, at their meeting held on 27th May 2022, have unanimously approved the re-appointment of Mr. L. R. Bhat as a Whole-time Director of the Company w.e.f. 4th August 2022 for a further period of 5 (five) years, on a remuneration fixed for an initial period of 3 years, subject to the approval of the shareholders.

Mr. L. R. Bhat holds a Diploma in Mechanical Engineering(DME) from the State Board of Technical Education & Training, Tamil Nadu and is a Chartered Engineer from the Institute of Engineers. He has been associated with the Company since 1st July,1995 and instrumental in developing In-house IT which has resulted in enormous growth coupled with cost savings. He has more than 2 decades of experience in the IT field and around 40 years of experience in automobile industry. He also heads the vehicle maintenance function in the Company. He also assists the promoters in strategy formulation & implementation.

The terms and conditions of his re-appointment are as under

PERIOD:

5 years w.e.f. 4th August 2022 with a liberty to mutually terminate the agreement with 3 (three) months' notice from either side.

REMUNERATION

A remuneration of not exceeding Rs.13,50,350/- (Rupees thirteen lakhs fifty thousand three hundred & fifty only) per month, inclusive of perquisites, subject to revision as may be determined by the Nomination and Remuneration Committee with subsequent approval by the Board from time to time.

Remuneration Excludes

Leave encashment of Salary or such other benefits as applicable to the officer of the Company;

Bonus or ex-gratia, at discretion of the Board of Directors;

Contribution to Provident Fund and Pension Fund

OTHER TERMS & CONDITIONS FOR APPOINTMENT:-

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. L. R. Bhat, the remuneration by way of salary, perquisites or any other allowances as specified above as minimum remuneration.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.

Mr. L. R. Bhat shall be liable to retire by rotation

The terms as set out in the explanatory statement may also be treated as an abstract of the terms of the agreement to be entered into between the Company and Mr. L. R. Bhat under Section 190 of the Companies Act 2013. a draft copy of such agreement is kept at the registered office of the Company and the same is available for inspection during the business hours.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Information pursuant to the SEBI(LODR) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is provided as Annexure A & B respectively to this Notice.

Additional disclosures as required under Schedule V of the Companies Act, 2013 for the payment of remuneration in excess of the limits prescribed therein in the event of inadequate profits/absence of profits for this agenda is detailed hereunder as Annexure C.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way, interested or concerned, financially or otherwise, in this item of business.

ITEM - 6

RE-APPOINTMENT OF MR. K. N. UMESH (DIN: 02602595) AS A WHOLE TIME DIRECTOR OF THE COMPANY

Mr. K. N. Umesh was appointed as Whole-time Director of the Company w.e.f. 19th May 2017 for a period of five years and the said tenure expired on 18th May 2022.

Pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company, at their meeting held on 27th May 2022, unanimously approved the re-appointment of Mr. K. N. Umesh as a Whole-time Director of the Company w.e.f. 19th May 2022 for a further Period of 5 (five) years and remuneration for an initial period of 3 years subject to approval of the shareholders.

Mr. K. N. Umesh, a Commerce graduate from Mysore University, joined VRL Logistics Limited in March 1984. His area of expertise has been mainly in the formulation and implementation of the business policies on operations and matters connected therewith. Mr. K. N. Umesh has risen through the ranks and is instrumental in formulating strategic business plans of the Company. Prior to his joining the Board, he was designated as the Chief Operating Officer of the Company.

The terms and conditions for his re-appointment are as under:

PERIOD

5 years w.e.f. 19th May 2022 with a liberty to mutually terminate the agreement with 3 (three) months' notice from either side.

REMUNERATION

Rs. 13,50,350/- (Rupees thirteen lakhs fifty thousand three hundred & fifty only) per month inclusive of perquisites, which is eligible for revision as may be determined by the Nomination and Remuneration Committee with subsequent approval by the Board from time to time.

Remuneration Excludes

Leave encashment of Salary or such other benefits as applicable to the officer of the Company;

Bonus or ex-gratia, at discretion of the Board of Directors;

Contribution to Provident Fund and Pension Fund

OTHERS TERMS AND CONDITIONS OF APPOINTMENT

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. K. N. Umesh, the remuneration by way of salary, perquisites or any other allowances as specified above as minimum remuneration

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.

Mr. K. N. Umesh shall be liable to retire by rotation

The terms as set out in the explanatory statement may also be treated as an abstract of the terms of the agreement entered into between the Company and Mr. K. N. Umesh under Section 190 of the Companies Act 2013. A draft copy of such agreement is kept at the registered office of the Company and the same is available for inspection during the business hours.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Information pursuant to the SEBI(LODR) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India is provided as Annexures A & B respectively to this Notice.

Additional disclosures as required under Schedule V of the Companies Act, 2013 for the payment of remuneration in excess of the limits prescribed therein in the event of inadequate profits/ absence of profits for this agenda is detailed hereunder as Annexure C.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way, interested or concerned, financially or otherwise, in this item of business.

ITEM 7

CONTINUATION OF DR. PRABHAKAR KORE (DIN: 00509836) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR ON ATTAINING THE AGE OF 75 YEARS.

As per regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 no company shall appoint or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. The said provision is effective from 1st April 2019.

Shareholders at the 36th Annual general meeting of the Company held on 10th August, 2019 approved the re-appointment of Dr. Prabhakar Kore as a Non-Executive Independent Director of the Company w.e.f., 1st April 2019 for a period of five years i.e., up to 31st March 2024. Dr. Prabhakar Kore will complete age of 75 years on 1st August 2022 and thereafter his continuation on the Board of the Company shall require approval of the shareholders by way of a special resolution.

The Board of Directors, on the recommendation, of the Nomination and Remuneration Committee, at its meeting held on 27th May 2022, approved the continuation of Dr. Prabhakar Kore as a Non-Executive Independent Director of the Company upto the end of his tenure, i.e. 31st March 2024 considering the value addition in terms of the skill, experience, knowledge as also based on his performance evaluation by the other relevant board members. Such continuation is subject to the approval of the shareholders by way of a Special Resolution. The Board opines that his association would be of immense benefit to the Company and accordingly recommends the resolution for the approval by the shareholders of the Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way, interested or concerned, financially or otherwise, in this item of business.

ITEM 8

APPROVAL, CONSIDERATION AND RATIFICATION OF REMUNERATION FIXED BY THE BOARD FOR COST AUDITOR TO CONDUCT THE COST AUDIT OF THE WIND POWER DIVISION OF THE COMPANY

Pursuant to Companies (Cost Records & Audit) (Amendment) Rules, 2014, the company is required to maintain cost records in respect of the wind power generation activity of the Company and the same is required to be audited by a Cost Accountant. Based on the recommendation of Audit Committee, the Board has approved the re-appointment of M/s. S K Tikare & Co, Cost Auditors, to audit the cost records of the said division on a remuneration of ₹ 70,000/-for the financial year 2022-23.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors shall be ratified by the shareholders.

Accordingly, consent of the members is being sought for resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2023.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, interested or concerned, financially or otherwise, in this item of business.

**By order of the Board of Directors
For VRL Logistics Limited**

**Aniruddha Phadnavis
Company Secretary & Compliance Officer**

Date: 16th July 2022
Place: Hubballi

ANNEXURE A**Details of Directors seeking appointment / re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Name of Director: Mr K. N. Umesh	
DIN	02602595
Date of Birth	10 th May 1954
Date of Appointment	19 th May 2017 (re-appointed on 14 th August 2020 pursuant to retirement by rotation)
Tenure of appointment	Retirement by rotation
Qualification	B.Com
Expertise in Specific functional area	Mr. K. N. Umesh, a Commerce graduate from Mysore University, joined VRL Logistics Limited on March 12, 1984. His area of expertise has been mainly in the formulation and implementation of the business policies on operations and matters connected therewith. Mr. K. N. Umesh has risen through the ranks and is instrumental in formulating strategic business plans of the Company. Prior to his joining the Board, he was designated as the Chief Operating Officer of the Company.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Executive Director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31 st March 2022	1750 equity shares

Name of Director: Dr. Raghottam Akamanchi	
DIN	07038714
Date of Birth	17 th April 1964
Date of Appointment	19 th February 2015 (re-appointed on 14 th August 2020 pursuant to retirement by rotation)
Tenure of appointment	Retirement by rotation
Qualification	M.Sc, Phd.
Expertise in Specific functional area	He holds a Post Graduate Degree in Science (Statistics) from the Gulbarga University and a Doctorate in Statistics from the University of Mysore. He was on the Board of Management of the Karnataka State Open University during 2009-2011 and Professor of Statistics. He was also the National Vice President of Akhil Bharatiya Vidyarthi Parishad (ABVP). He is also the President of Seva Bharati Trust, Hubballi, a Non-Government Organization established in the year 1999 and serving the socially and economically backward sections of the society.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Non-Executive Director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31 st March 2022	Nil

Name of Director: Mr. L. R. Bhat	
DIN	01875068
Date of Birth	27 th January 1959
Date of Appointment	04 th August 2017(re-appointed on 7 th August 2021 pursuant to retirement by rotation)
Tenure of appointment	Retire by rotation
Qualification	Diploma in Mechanical Engineering & Chartered Engineer from Institute of Engineers
Expertise in Specific functional area	Mr. L R Bhat holds a Diploma in Mechanical Engineering from the State Board of Technical Education & Training, Tamil Nadu and is a Chartered Engineer from the Institute of Engineers. He has been associated with the Company since 1 st July, 1995 and instrumental in developing in house IT which has resulted in enormous growth coupled with cost saving. He has more than 2 decades of experience in the IT field. With around 40 years experience in automobile industry. He also heads the vehicle maintenance function in the Company. He also assists the promoters in strategy formulation & implementation.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Executive Director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31 st March 2022	2115 shares held jointly with spouse Mrs. Usha Ramanand Bhat (name of the latter appears as the first holder)

For other details such as the number of meetings of the board attended during the year, remuneration drawn in respect of above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

ANNEXURE B
INFORMATION PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD 2 (SS-2) ISSUED BY THE
INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Name of the Director	Mr. L. R. Bhat
Age	63 Years
Qualifications	Diploma in Mechanical Engineering (DME) & Chartered Engineer from Institute of Engineers
Experience	Mr. L. R. Bhat holds a Diploma in Mechanical engineering from the State Board of Technical Education & Training, Tamil Nadu and is a Chartered Engineer from the Institute of Engineers. He has been associated with the Company since 1 st July, 1995 and instrumental in developing in house IT which has resulted in enormous growth coupled with cost saving. He has more than 2 decades of experience in the IT field. With around 40 years experience in automobile industry. He also heads the vehicle maintenance function in the Company. He also assists the promoters in strategy formulation & implementation.
Terms of Conditions of appointment	Provided in the explanatory statement to this Notice
Details of Remuneration sought to be paid	₹ 13.50 lakhs per month including perquisites as detailed in the explanatory statement to this Notice.
Last Remuneration drawn	₹ 13.50 lakhs per month including perquisites
Shareholding	2115 shares held jointly with spouse Mrs. Usha Ramanand Bhat (name of the latter appears as the first holder)
Relationship with other Director / KMPs	None
Number of meetings of the Board attended during the year	5 (Five) – 100% Attendance
Directorship held in other Listed Companies	None
Membership / Chairmanship of committees of other Boards	NIL

Name of the Director	Mr. K. N. Umesh
Age	68 Years
Qualifications	Commerce Graduate from Mysore University
Experience	Mr. K. N. Umesh, a Commerce graduate from Mysore University, joined VRL Logistics Limited on 12 th March 1984. His area of expertise has been mainly in the formulation and implementation of the business policies on operations and matters connected therewith. Mr. K. N. Umesh has risen through the ranks and is instrumental in formulating strategic business plans of the Company. Prior to his joining the Board, he was designated as the Chief Operating Officer of the Company.
Terms of Conditions of appointment	Provided in the explanatory statement to this Notice
Details of Remuneration sought to be paid	₹ 13.50 lakhs per month including perquisites as detailed in the explanatory statement to this Notice
Last Remuneration drawn	₹ 13.50 lakhs per month including perquisites
Shareholding	1750 Equity shares
Relationship with other Director / KMPs	None
Number of meetings of the Board attended during the year	5 (Five) – 100% Attendance
Directorship held in other Listed Companies	None
Membership / Chairmanship of committees of other Companies/Boards	NIL

ANNEXURE C

INFORMATION PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013.

I GENERAL INFORMATION

1. Nature of industry:

The Company is engaged in the business of Goods Transportation, Bus Operations, Wind Power generation and passenger transportation by air.

2. Date of commencement of commercial production:

The Company carries on Goods Transportation since its incorporation. The other business verticals that the company is engaged into since over the last decade are Bus Operations, Wind Power generation and Passenger Transportation by Air.

3. Financial performance based on given indicators:

Standalone Financial Results for the last three years:

Amount (in Lakhs)

Particulars	2021-22	2020-21	2019-20
Profit (Loss) after Tax	16,011.26	4,506.79	9,011.49
Net Worth (including balance in Profit and Loss Account)	65,163.07	59,714.01	61,686.93
Earnings Per Share	18.12	4.99	9.97
Turnover	2,41,046.54	1,77,578.73	2,12,885.65

4. Foreign investments or collaboration, if any:

There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

As on 31st March 2022, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies in the Company is as under:

Sl.	Description	Shares	% Equity
1	Foreign Portfolio - Corp	32,00,465	3.62
2	Non Resident Indians	2,18,052	0.25
3	NRI Non-Repatriation	1,00,875	0.11
	Total	35,19,392	3.98

II INFORMATION ABOUT THE APPOINTEES

1. Background details:

➤ **Mr. L. R. Bhat**

Mr. L. R. Bhat, aged 63 years, holds a diploma in Mechanical Engineering from the State Board of Technical Education & Training, Tamil Nadu and is a certified member of the Institute of Engineers in tool design. He has been associated with the Company since 1st July 1995. He heads the vehicle maintenance function and is also instrumental in developing the in-house Information Technology which has resulted in growth coupled with enormous cost saving in the Company.

➤ **Mr. K. N. Umesh**

Mr. K. N. Umesh, aged 68 years, a Commerce graduate from Mysore University, is associated with the Company since 12th March 1984. His area of expertise has been mainly in the formulation and implementation of the business policies on all operational matters. Mr. K. N. Umesh has risen through the ranks and is instrumental in formulating strategic business plans of the Company. Prior to his joining the Board, he was the Chief Operating Officer of the Company.

2. Past remuneration:

The remuneration paid to Whole Time Directors of the Company for the last financial year 2020-2021 and 2021-22 are as follows:

(Amount in lakhs)

Name of the Directors	2021-22	2020-2021
Mr. L. R. Bhat	144.04	118.84
Mr. K. N. Umesh	144.04	123.34

3. Recognition or Awards

a. Mr. L. R. Bhat

No such Recognition or Awards.

b. Mr. K. N. Umesh

No such Recognition or Awards.

4. Job profile and Suitability

a. **Mr. L. R. Bhat:** He is a Whole-time Director of the Company. He has been associated with the Company from nearly three decades. His area of expertise is the developing and maintaining of in-house Information Technology which has resulted in growth coupled with enormous cost saving to the Company. He has contributed towards strengthening the core competencies and policies of the Company. He also heads the vehicle maintenance function as also handles certain key clients of the Company.

b. **Mr. K. N. Umesh:** He is a Whole-time Director of the Company. He has been associated with the Company since 1984. He initially joined as an Accountant and rose through the ranks and today he is the key person to the policy formulation, strategy development as also overall monitoring of the business operations of the Company.

5. Remuneration proposed

MR. L. R. BHAT	
Remuneration	Salary of ₹ 13,50,350/- per month with the authority to the Board of Directors to fix / vary the salary
Perquisites	<p>a. Gratuity as per rules of the Company.</p> <p>b. Earned leave with full pay or encashment as per rules of the Company.</p> <p>c. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.</p> <p>d. Provision for use of the Company's car for official duties.</p> <p>e. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.</p> <p>Point No (a) to (d) mentioned above shall not be included in the computation of remuneration. For the purpose of calculation of remuneration, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.</p> <p>OTHER TERMS & CONDITIONS OF APPOINTMENT</p> <p>a. In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. L. R. Bhat, the remuneration by way of salary, perquisites or other allowances as specified above and in compliance with the schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be specified by the Government from time to time in this regard, as minimum remuneration.</p> <p>b. No sitting fees shall be paid to him for attending the meetings of the Board of Directors or Committees thereof.</p> <p>c. Mr. L. R. Bhat shall be liable to retire by rotation.</p>

MR. K. N. UMESH	
Remuneration	Salary of ₹ 13,50,350/- per month with the authority to the Board of Directors to fix / vary the salary.
Perquisites	<p>a. Gratuity as per rules of the Company.</p> <p>b. Earned leave with full pay or encashment as per rules of the Company.</p> <p>c. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.</p> <p>d. Provision for use of the Company's car for official duties.</p> <p>e. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.</p> <p>Point No (a) to (d) mentioned above shall not be included in the computation of remuneration. For the purpose of calculation of remuneration, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.</p> <p>OTHER TERMS & CONDITIONS OF APPOINTMENT:</p> <p>a. In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. K. N. Umesh, the remuneration by way of salary, perquisites or any other allowances as specified above and in compliance with the Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be specified by the Government from time to time in this regard, as minimum remuneration.</p> <p>b. No sitting fees shall be paid to him for attending the meetings of the Board of Directors or Committees thereof.</p> <p>c. Mr. K. N. Umesh shall be liable to retire by rotation.</p>

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Whole time Directors of the Company (looking at the profile of the position and person) is commensurate with their standing, efforts, scale and size and scale of operations of the Company. Also, the payments being made are in line with the payments being made by other Companies of similar size as also in line with the payments being made by the other reputed Companies in the Industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. L. R. Bhat	Mr. K. N. Umesh
Apart from receiving managerial remuneration and holding 2,115 equity shares jointly with spouse, he does not have any other pecuniary relationship with the Company.	Apart from receiving managerial remuneration and holding 1,750 equity shares singly, he does not have any other pecuniary relationship with the Company.

III OTHER INFORMATION

1. Reasons of loss or inadequate profits:

There was no losses or inadequate profits for the financial year ended 31st March, 2022

2. Steps taken or proposed to be taken for improvement:

Not Applicable

3. Expected increase in productivity and profits in measurable terms:

The inherent strength in our business model ensures that the Company is not dependent on any particular customer or industry for its revenues. The available drivers and vehicles are being selectively deployed for Full Truck Loads and Parcels depending on return load and other ground level position as the situation warrants. We are transacting freight business coming our way and our entire team has existing customers as also potential customers for getting business.

The Company has not availed the option to postpone the repayment of the principal amounts due on its outstanding loans. The company is in an aggressive branch expansion mode having opened 91 new branches during FY 2021-22 and expecting further branch expansion in the current year. It has also placed firm orders for purchase of 1600 new trucks.

The Company has honored its debt service obligations in a timely manner and would continue to do so in the days to come. This itself is demonstrative of the confidence that the management has on the results for the near medium term.

IV. DISCLOSURES

The disclosures as required on all elements of remuneration package such as salary, perquisites etc. have been made in the Directors' Report under the heading "Corporate Governance" attached to in this Annual Report. Specific disclosures mandated under Schedule V are as under:

(I) ALL ELEMENTS OF REMUNERATION PACKAGE SUCH AS SALARY, BENEFITS, BONUSES, STOCK OPTIONS, PENSION, ETC., OF ALL THE DIRECTORS;

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is also governed by the respective agreements entered into between them and the Company, as approved by the shareholders at the general meeting.

Any annual pay, variable pay or incentives, if any, payable to Executive Directors is approved by the Board based on recommendation from Nomination and Remuneration Committee. The sitting fees paid to the Non-Executive Directors were as fixed by the Board of Directors.

The table below gives the details of remuneration paid to Executive Directors and Non-Executive Directors for the year ended 31st March 2022.

Remuneration paid / payable to Directors

Name of the Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Dr. Vijay Sankeshwar	324.00	110.00	-	434.00
Dr. Anand Sankeshwar	300.00	-	-	300.00
Mr. K. N. Umesh	144.04	-	-	144.04
Mr. L R Bhat	144.04	-	-	144.04
Dr. Prabhakar Kore	-	-	1.20	1.20
Mr. Shankarasa Ladwa	-	-	2.25	2.25
Mr. Gurudas Narekuli	-	-	1.50	1.50
Mrs. Medha Pawar	-	-	2.85	2.85
Dr. Anand Pandurangi	-	-	1.05	1.05
Dr. Raghottam Akamanchi	-	-	1.65	1.65
Dr. Ashok Shettar	-	-	1.05	1.05
Mrs. Smriti Bellad	-	-	0.45	0.45
Total	912.08	110.00	12.00	1034.08

(II) DETAILS OF FIXED COMPONENT AND PERFORMANCE LINKED INCENTIVES ALONG WITH THE PERFORMANCE CRITERIA;

Except in the case of Dr. Vijay Sankeshwar, Chairman & Managing Director, the remuneration being paid to other Executive Directors and the sitting fees being paid to Non Executive Directors is fixed in nature. Dr. Vijay Sankeshwar is paid in addition to his fixed pay, a commission to the tune of 0.75% of the net profits of the company.

(III) SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES;

As at 31st March 2022, the Board comprised of twelve directors including four executive directors, two non-executive directors and six independent directors. The Company has entered into agreements with Dr. Vijay Sankeshwar, Chairman and Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K. N. Umesh, Whole-time Director and Mr. L. R. Bhat, Whole-time Director which, inter alia, stipulate a three months' notice period to vacate their respective office held. There is no provision for payment of severance fees. The other Independent Directors and Non-Executive Directors are not subject to any specific requirement of notice period and severance fees.



(IV) STOCK OPTION DETAILS, IF ANY, AND WHETHER THE SAME HAS BEEN ISSUED AT A DISCOUNT AS WELL AS THE PERIOD OVER WHICH ACCRUED AND OVER WHICH EXERCISABLE.

During the year, no stock options were granted to any executive / non-executive director of the Company. Also, the Company did not advance any loan to any of its Directors during the year.

The Board recommends the Resolutions as set out at Item no.5 & 6 of the Notice as Special Resolutions, for approval of the Members.

**By order of the Board of Directors
For VRL Logistics Limited**

**Aniruddha Phadnavis
Company Secretary & Compliance Officer
Date: 16th July 2022
Place: Hubballi**



VRL LOGISTICS LIMITED

**Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi (Karnataka) - 581 207
(18th KM, NH-4, Bengaluru Road, Varur)**

**Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com
CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in**

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 39th Annual General Meeting of the Company at the registered office of the Company situated at RS No.351/1, Varur, Post: Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur) on Wednesday i.e. 10th August 2022.

Full Name of the Member	
Address	
Folio No.	
DP ID	
Client ID	
No. of Shares held	

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company

.....
Full name of the shareholder / proxy (in block letters)

.....
Signature of shareholder / Proxy

Note:

1. Electronic copy of the Annual Report for FY 2021-22 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the shareholders whose email address is registered with the Company/Depository Participant unless any shareholder has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for FY 2021-22 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all shareholders whose email ids are not registered with the Company or have requested for a hard copy.



VRL LOGISTICS LIMITED

**Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,
District Dharwad, Hubballi (Karnataka) - 581 207
(18th KM, NH-4, Bengaluru Road, Varur)**

**Tel: 0836 2237613, Fax: 0836 2237614, Email: investors@vrllogistics.com
CIN: L60210KA1983PLC005247, Website: www.vrlgroup.in**

PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L60210KA1983PLC005247

Name of the Company : VRL LOGISTICS LIMITED

Registered Office : RS, No.351/1, Varur Post Chabbi Taluk Hubballi, District Dharwad, Hubballi - 581207 India.
(18th KM, NH- 4, Bengaluru Road, Varur)

Website: www.vrlgroup.in Email: investors@vrllogistics.com

Name of the Member (s):.....

Registered address:.....

E-mail Id: DP ID No.

Client ID No. Folio No:

I / We, being the member(s) of _____ Equity Shares of VRL Logistics Limited, hereby appoint

1.Name :

Address :

E-mail Id :

Signature :, or failing him / her

2. Name:.....

Address:

E-mail Id:

Signature:....., or failing him / her

3. Name:.....

Address:

E-mail Id:

Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 39th Annual General Meeting of the Company, to be held on Wednesday, 10th August 2022 at 4.00p.m. at the Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sl.No	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Audited Annual Accounts for the FY 2021-22 together with the Reports of Board of Directors and Auditors thereon.		
2	To confirm interim dividend paid on Equity Shares as the final dividend for the year ended on 31st March 2022.		
3	Appointment of Dr. Raghottam Akamanchi, who retires by rotation, being eligible, offers himself for reappointment.		
4	Appointment of Mr. K. N. Umesh, who retires by rotation, being eligible, offers himself for reappointment.		
Special Business			
5	To consider and approve Re-appointment of Mr. L R Bhat as a Whole-time Director of the company		
6	To consider and approve Re-appointment of Mr. K. N. Umesh as a Whole-time Director of the company		
7	To consider and approve Continuation of Dr. Prabhakar Kore as Non-Executive Independent Director of the company on attaining age of 75 years.		
8	To consider, approve and ratify the remuneration payable to M/s. S K Tikare & Co, Cost Accountants for FY 2022-23		

Affix Re.1
Revenue
Stamp
here

Signed this ___ day of _____, 2022

Signature of Shareholder

Signature of Proxy Holder (s)

Note:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

INSTRUCTIONS AND OTHER INFORMATION RELATING TO REMOTE E-VOTING:

1. Please take note of the below:
 - A. In case a Member receiving an email from KFin [for Members whose email IDs are registered with the Company/Depository Participant(s)]:
 - I. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - II. Enter the login credentials (i.e. User ID and Password mentioned above). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
 - III. After entering these details appropriately, Click on "LOGIN".
 - IV. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - V. You need to login again with the new credentials.
 - VI. On successful login, the system will prompt you to select the "EVENT" i.e., VRL Logistics Limited.
 - VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - VIII. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - IX. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - X. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - XI. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s) by clicking "SUBMIT".
 - XII. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: cs_akshaysp@yahoo.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO." The documents should reach the Scrutinizer and such other person on or before 9th August 2022 at 5.00 P.M.
 - B. In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
 - (i) User ID and initial password as provided above.
 - (ii) Please follow all steps from Sr.No. (i) to (xii) as mentioned in (A) above, to cast your vote.
 - C. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 3rd August 2022 may write to the KFin on the email Id evoting@kfintech.com or to Mr. Bhaskar Roy, Contact No. 040-33215252 at KFin Technologies Limited, Unit- VRL Logistics Limited, Selenium

Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.

2. The remote e-voting period commences on 7th August 2022 at 9.00 a.m. and ends on 9th August 2022 at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being 3rd August 2022, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote at the AGM.
3. The facility for voting through electronic means ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
4. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
5. The Company has engaged the services of KFin Technologies Limited ("KFin") as the Agency to provide e-voting facility.
6. The Board of Directors of the Company has appointed Mr. Akshay Pachlag, Practicing Company Secretary as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., 3rd August 2022.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., 3rd August 2022 only shall be entitled to avail the facility of remote e-voting / Insta Poll.
9. The remote e-voting facility will be available during the following period: Commencement of remote e-voting: From 9.00 a.m. (IST) on 7th August 2022 End of remote e-voting: Up to 5.00 p.m. (IST) on 9th August 2022. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of aforesaid period.
10. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing who shall countersign the same. The Chairperson or a person authorized by him in writing will declare the result of voting forthwith.
11. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 10th August 2022.
12. The Results on resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
13. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.vrlgroup.in) and on Service Provider's website (<https://evoting@kfintech.com>) and communication of the same would be made to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

E-Voting event Number	User ID	Password

14. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin Technologies Limited on 1800-309-4001 to their toll free number.

INSTRUCTION FOR MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESSES SHOULD FOLLOW THE PROCEDURE MENTIONED BELOW:

- A. Please take note of the below
1. The member can access the Kfin link at : <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 2. Once you enter the link, Please select the drop down menu and select the Company Name 'VRL Logistics Limited' .
 3. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical then click 'SUBMIT'.
 4. Later enter the Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and update your PAN number. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 5. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating your records.
 6. Kindly enter the valid email address and mobile number. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
 7. Enter the OTPs received by SMS and email to complete the validation process. Kindly note that the OTPs validity will be for 5 minutes only.
 8. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
 9. Alternatively, members may send an email request addressed to inward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
 10. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
 11. In case of queries, members are requested to email inward.ris@kfintech.com or call at the toll free number 1800- 309-4001.

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the thirty ninth annual report of your Company together with the audited financial statements for the financial year ended March 31, 2022.

1. SUMMARY OF FINANCIAL RESULTS

The performance of the Company for the Financial year ended 31st March 2022 is summarized below:

Particulars	Year Ended March 31, 2022	(₹ in lakhs)
		Year Ended March 31, 2021
Total Income	241,046.54	177,578.73
EBIDTA	42,098.16	26,035.04
Finance Costs	4,309.18	3,681.96
Depreciation & Amortization expense	16,799.76	15979.01
Profit Before Tax	20,989.22	6374.07
Tax Expense	4,977.96	1867.28
Net Profit After Tax	16,011.26	4506.79
Other comprehensive income	39.02	(158.38)
Total Comprehensive income	16,050.28	4,348.41
Basic & diluted Earnings per Share (Rs.)	18.12	4.99

2. OPERATING HIGHLIGHTS / STATE OF COMPANY'S AFFAIRS

During the year under consideration, your Company achieved a gross revenue of **Rs. 241,046.54 lakhs** as against **Rs. 177,578.73 lakhs** for the earlier fiscal depicting a **growth of 35.74%**. The Profit before tax (PBT) was **Rs. 20,989.22 lakhs** as against the Profit before tax of **Rs. 6,374.07 lakhs** in the previous year depicting a **growth of 229.29%**. The profit after tax was Rs.16011.26 which represents the highest ever profitability in the company's history.

While the Company's Goods Transport Division achieved a turnover of **Rs 213,738.24 lakhs** registering a growth rate of **34.19 %** as compared to the previous year, Bus Operations division achieved a turnover of **Rs. 20,483.75 lakhs** registering a **growth of 57.16%**. A detailed financial performance analysis is provided in the Management Discussion & Analysis Report, which is a part of this Annual Report.

3. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 8,834.35 lakhs. There was no change to the paid up share capital during the fiscal.

The company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2022, none of the Directors of the company held instruments convertible into equity shares of the Company.

4. CHANGE IN THE NATURE OF BUSINESS

Your Company continues to be one of the leading Logistics service providers in the country. The service offerings of the Company in the Logistics space are Goods transport and Bus Operations apart from Transportation of Passengers by Air and Wind Power Generation Business. There is no change in nature of business of the Company.

The Company has entered into a "MOU (Memorandum of Understanding)" with Ratna Cements (Yadwad) Limited for the sale of its Wind Power Generation Business on a going concern basis, by way of Slump Sale for a consideration of Rs. 4,800 Lakhs (Four Thousand Eight Hundred Lakhs only). The Buyer has placed a token advance prior to signing of the MoU and has been provided a time upto 31st July 2022 to achieve the completion of transaction with all required approvals along with the remittance of balance sale consideration. The Wind Power Undertaking of the Company initially comprised of 34 wind turbine generators with capacity of 42.5 MW. As of date, the said project comprises of 32 wind turbine generators with a capacity of 40 MW. These WTG's are installed at Kappatgudda, District Gadag, Karnataka State. The board in its meeting held on 27.05.2022 has ratified and approved the sale of the said division of the company.

5. CAPITAL EXPENDITURE:

During the Financial year 2021-22, the company has incurred a capital expenditure of Rs.16,003.90 Lakhs. Out of the same, an amount of Rs.12,550.21 Lakhs was invested on purchase of new fleet. The balance capex of Rs.3453.69 Lakhs was spent on Machineries, Land & Building, Plant & equipment, office equipment etc.

6. LEASES

The Company had adopted the accounting standard Ind-AS 116- "Leases", which has become effective from 1st April 2019 (transition date). The adoption of this Standard has resulted in the Company recognizing a right-of-use (ROU) of assets and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months.

This year, the addition to ROU assets was to the tune of Rs. 8,428.64 Lakhs attributable entirely to Buildings. Also the addition to Lease Liabilities, including both current and Non-current was to the tune of Rs. 9,092.75 Lakhs.

The impact of adopting IndAS 116 on the financial statements for the year ended 31st March 2022 is as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation charge on Right-of-use assets-Buildings	7,696.21	6,542.61
Interest expense included in finance cost	3,149.53	2,353.77
Expense relating to short-term leases	4,130.78	2,915.39
Total cash outflow for leases during current financial year (excluding short term leases)	10,181.63	8,778.65
Additions to the right of use assets during the current financial year	16,275.92	12,197.92

7. DIVIDEND:

During the financial year 2021-22, the Board declared an interim dividend of Rs.8/- per share in the month of February 2022 and recommends that the same be considered as the final dividend for the current fiscal.

The comparative details of dividend declared are as follows:-

Dividend Type	Financial Year 2021-22		Financial Year 2020-21	
	Dividend Per share (in Rs)	Dividend Payout (Rs in lakhs)	Dividend Per share (in Rs)	Dividend Payout (in Rs lakhs)
Interim Dividend	8	7067.47	-	-
Final Dividend	-	-	4	3533.74
Total Dividend	8	7067.47	4	3533.74
Payout ratio	44.03%		78.41%	

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend policy of the Company is available on the Company's website at http://vrlgroup.in/vrl_investor_desk.aspx?display=policies. A copy of the same is annexed to this Report as Annexure A.

8. TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF:

The Ministry of Corporate Affairs under Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF).

Also, IPO share application money which is unclaimed for a period of seven years amounting to **Rs.14,65,750/-** is proposed to be transferred to the Investor Education and Protection Fund Authority in accordance with the provisions of the Act within the due date therefor. The details of the IPO share Application money and unclaimed/unpaid dividend is detailed in the corporate governance report which forms the part of this annual report and also can be accessed at

http://vrlgroup.in/investor_download/Unclaimed_Dividend_2020.pdf?a=1

9. TRANSFER TO RESERVES:

The Company has transferred an amount of Rs.1,601.13 lakhs to the General Reserve out of current year's profits in line with its practice of earlier years.

10. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

11. FIXED DEPOSITS

The Company has not accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. Details of investments made by the company are given in the notes to the financial statements.

13. CREDIT RATING

During the year, ICRA Limited has reaffirmed its existing long term rating of [ICRA] A+ (pronounced as ICRA A Plus). The outlook on the long term rating is Stable.

14. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) of SEBI Listing Regulations read with Schedule V thereto, is presented in a separate section forming part of this Annual Report.

15. BUSINESS RESPONSIBILITY REPORT

The Securities Exchange Board of India vide notification has mandated top 1,000 listed companies based on market capitalization to include a report on business responsibility. The said report is in compliance with the SEBI Listing Regulations and forms a part of this Annual Report.

16. CORPORATE GOVERNANCE

The Company is committed to maintain the steady standards of corporate governance and adhere to the corporate governance requirements set out under extant law. The Report on corporate governance as stipulated under Regulation 34 of the SEBI Listing Regulations read with Schedule V thereto forms part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations, as also the related certificate from CEO/CFO are attached to the Report on Corporate Governance.

The auditors' certificate does not contain any qualification, reservation or adverse remarks.

17. BOARD COMPOSITION AND INDEPENDENCE

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which stipulates that the Board should have optimum combination of Executive and Non-executive Directors with at least one Independent Woman Director and at least 50% of the Board should consist of Independent directors, as the Chairman of our Board is an Executive Director.

As on 31st March 2022, the Board comprised of twelve Directors. Out of these, two are Managing Directors who are also the Promoters of the Company and two are Whole Time Executive Directors, the other eight being Non-Executive Directors.

Of the eight Non-Executive Directors, six are Independent Directors. These include two Independent Woman Directors. All the Directors possess the requisite qualifications, expertise and experience in general corporate management, finance, banking, laws and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

None of the Directors of the Company are related to each other except Dr. Vijay Sankeshwar, Chairman & Managing Director (CMD) and Dr. Anand Sankeshwar, Managing Director (MD).

All Independent Directors have given due declarations that they meet the criteria of independence as laid down under section 149 (6) and (7) of the Companies Act, 2013 and under extant provisions of the SEBI Listing Regulations.

18. NUMBER OF MEETINGS OF THE BOARD

During the year, five Board Meetings were held, details of which are provided in the Corporate Governance Report. The intervening gap between the meetings was in compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations. Due to the then ongoing pandemic situation, lockdown imposing the restriction on movement of individuals, etc., the board meeting for approval of financial results for the year ended 31st March 2021 was held on 12th June, 2021, with a gap of 125 days earlier from the Board Meeting date, which was permissible vide relevant circulars issued by the related regulatory authorities.

Details of attendance of meetings of the Board, its Committees and the Annual General Meeting are included in the Report on Corporate Governance, which forms part of this Annual Report.

19. COMMITTEES OF THE BOARD

The Board has the following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee

- c. Corporate Social Responsibility Committee (CSR)
- d. Stakeholders Relationship Committee
- e. Risk Management Committee
- f. Administration Committee
- g. Finance Committee

Details such as terms of reference, powers, functions, meetings, membership of committee, attendance of directors etc. are dealt with in Corporate Governance Report forming part of this Annual report.

Board has accepted all recommendations made by the Audit Committee during the year.

20. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) Inductions

There was no induction of any new Director/KMP during the year under consideration.

b) Retirement/Re-appointment

Mr. K. N. Umesh, Whole-time Director and Dr. Raghottam Akamanchi, Non-Executive Director of the Company, retire by rotation owing to their tenure being the longest amongst retiring directors and being eligible, offer themselves for reappointment. The Board recommends their re-appointment.

The Board recommends the continuation of Mr. Prabhakar Kore as a Non Executive Independent Director owing to his attaining the age of 75 years subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company as mandated under Regulation 17 (1A) of SEBI (LODR) Regulations, 2015.

Pursuant to the completion of their respective five year tenure, your Board recommends the re-appointment of Mr. L R Bhat and Mr. K. N. Umesh as Whole-time Directors of the Company at the ensuing Annual General Meeting of the Company.

c) Resignation

During the year under review, no directors resigned in the Company.

d) Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Dr. Vijay Sankeshwar, Chairman & Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K. N. Umesh, Whole time Director, Mr. L R Bhat, Whole time Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Aniruddha Phadnavis Company Secretary & Compliance Officer. There was no change in Key Managerial Personnel of the Company during the year.

The remuneration and other details of these Key Managerial Personnel for FY 2021-2022 are provided in the Annual Return (MGT 7) which is available on the website of the Company and can be accessed at https://www.vrlgroup.in/vrl_investors_desk.aspx?display=annual_return

21. STATUTORY DISCLOSURES

None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI Listing Regulations. A Certificate to that effect as mandated under Schedule V of the SEBI (LODR) Regulations, 2015 has been obtained from a Company Secretary in practice.

22. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the annual performance of the Board, its Committees, Chairperson and Individual Directors including Independent Directors was evaluated as per the criteria laid down by the Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report which forms part of this Annual Report.

23. BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender and knowledge. The Board recognizes the importance of a diverse composition and has adopted a Board Diversity policy which sets out the approach to diversity.

The said policy can be accessed through the following link : https://www.vrlgroup.in/investor_download/Board%20diversity%20policy.docx

24. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards (IndAS) have been followed along with proper explanation relating to material departures. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vii) Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal auditors, statutory auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate, operational and effective as on March 31, 2022.

25. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the company at large.

All Related Party Transactions are placed before the Audit Committee as also to the Board for prior approval. Omnibus approval was obtained every Quarter for transactions which are repetitive in nature. A statement containing details of all transactions entered into pursuant to omnibus approval are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company can be viewed on the website of the Company through the following link.

http://vrlgroup.in/investor_download/RPT%20Policy.pdf

There were no material related party transactions entered between the Company, Directors, management, or their relatives. All the contracts/arrangements/ transactions entered into by the Company with the related parties during the financial year 2021-22 were in the ordinary course of business and on an arm's length basis. In our opinion there were no "material" transactions that warrant a disclosure in this report.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form a part of this report.

26. NOMINATION AND REMUNERATION POLICY

In adherence to Section 178(1) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes and other matters provided under sub section (1) (3) of section 178 of the Companies Act, 2013. The Remuneration Policy is annexed to this report as Annexure B. The said policy alternatively can also be accessed on the website of the Company at the following link:

http://vrlgroup.in/investor_download/Nomination_Remuneration%20Policy.pdf

27. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and specified employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior in any form and the Board has laid down certain directives to counter such acts. Such code of conduct has also been placed on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. Pursuant

to SEBI (LODR) Regulations, 2015, a confirmation from the Chairman and Managing Director regarding compliance with the Code by all the Directors and senior management of the Company is given as a part of the Annual Report.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism Policy in line with the provisions of Section 177(9) and Section 177(10) of the Companies Act, 2013 to deal with instances of fraud and mismanagement, if any. Staying true to our core values being committed to high standards of Corporate Governance and stakeholder responsibility, the said policy ensures that strict confidentiality is maintained in respect of whistle blowers whilst dealing with concerns and also specified that no discrimination will be meted out to any person for a genuinely raised concern and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel have been denied access to the Chairman of Audit Committee.

The Vigil Mechanism policy is available on the website of the Company and can be accessed at the following link.

http://vrlgroup.in/investor_download/vigil_Mechanism.pdf.

29. PREVENTION OF INSIDER TRADING

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The said code is available on the website of the Company and can be accessed at the

following link. http://vrlgroup.in/vrl_investor_desk.aspx?display=policies

30. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Board of the Company had laid down policies, guidelines, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation & disclosure of financial statements. These controls also identify the risks and provides for means to minimize / mitigate the risks affecting the business of the Company as a whole. Auditors, as required under the Companies Act 2013, have also reported the existence and operations of these controls in an effective manner.

The Company's internal audit department enables the Management to mitigate the risks and prevent non-compliance with laws which would affect the financial position of the Company. The scope and authority of the Internal Audit function is well defined and to maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board as well as directly to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the internal audit report from time to time, the management undertakes corrective actions in the relevant areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee.

31. BUSINESS RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has in place a risk management architecture that provides a holistic approach to the best of its capabilities. The Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives.

The Risk Management Committee and Audit Committee, on a regular basis, reviews the Company's portfolio of risks and examines it under the light of the Company's Risk Appetite.

The material risks affecting Company are identified along with related mitigation measures and elaborated in the Risk Management Policy of the Company which has also been hosted on the website of the Company and can be accessed at the following link.

http://vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf

32. SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company's Equity Shares are listed on the BSE Ltd and National Stock Exchange of India Limited and the Company has paid the applicable Annual listing fees to these stock exchanges. The Company has also formulated the following Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy can be accessed at the following link: http://vrlgroup.in/vrl_investor_desk.aspx?display=policies

'Policy on Criteria for determining Materiality of Events/Information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The said policy can be accessed thru the following link: http://vrlgroup.in/vrl_investor_desk.aspx?display=policies

33. AUDITORS and AUDIT REPORTS

a) Statutory Auditors and Audit Report:

In accordance with Section 139 of the Companies Act, 2013 and Rules made thereunder, Members at the 37th Annual General Meeting of the Company had approved the appointment of Statutory Auditors, M/S. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W / W100166) for a period of 5 years from the date of the said Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year ended March 31, 2022. Pursuant to provisions of section 143(12) of the Companies Act 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

b) Cost Auditors & Cost Audit Report

Section 148 (1) of the Companies Act 2013 read with Rules made thereunder mandates every Company belonging to category prescribed in the related Rules to undertake a Cost Audit. In compliance with said provision, Company had appointed M/s S.K. Tikare & Co., Cost Accountants, Belagavi, to audit the cost records for FY 2021-22 pertaining to its Wind Power division. The Cost Auditor has submitted the Cost Audit report for FY 2021-22 and the same is annexed as Annexure C herewith.

There are no qualifications, reservations or adverse remarks made by the Cost Auditors in their report for the financial year ended 31st March, 2022.

Pursuant to the recommendation of the Audit Committee, the Board of Directors have re-appointed M/s S K Tikare & Co., Cost Accountants, Belagavi, as the Cost Auditors for FY 2022-23 at a remuneration of Rs.70,000/-, excluding applicable taxes and out-of-pocket expenses subject to approval by the members at the ensuing Annual General Meeting of the Company.

c) Secretarial Auditor & Secretarial Audit Report

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company had appointed Mr. R. Parthasarathy, Company Secretary in practice to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit report in Form MR-3 is annexed herewith as Annexure D.

Pursuant to the recommendation of the Audit Committee, the Board of Directors have re-appointed Mr. R Parthasarathy, Company Secretary to conduct the Secretarial Audit for FY 2022-23 at its meeting held on 27th May 2022 as also to issue the applicable Secretarial Compliance Report to be submitted to the Stock Exchanges.

With reference to the observation made by the Secretarial Auditor in his report relating to the gap of 125 days between two board meetings w.r.t. the meeting held on 12th June 2021, it is submitted that due to the then extra-ordinary situation caused by Covid-19/Lock down/ restrictions on movement of persons/Auditors and SEBI granting time for filing Financial results for the year/quarter ending 31.03.2021 up to 30.06.2021 and MCA also granting permission to hold Board Meeting beyond gap of 120 days during the said period, the Company held its Meeting after a gap of 125 days taking into account the feasibility and convenience of all concerned which was the earliest possible schedule for holding the said Meeting.

34. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As required under the provisions of the section 135 of the Companies Act 2013, the Board has constituted the Corporate Social Responsibility Committee (CSR Committee) which monitors and oversees various CSR initiatives and activities of the Company. The CSR Committee comprises of five directors out of which two are Independent Directors. The CSR Committee met three times during the year. Further details such as composition, terms, functions, meetings and attendance of directors of the said committee are provided in the Corporate Governance report forming part of this Annual Report.

The Company has undertaken and contributed to various projects identified by other eligible Trusts/Educational Institutions for CSR related activities as approved by the CSR Committee during the year mainly towards Education, Healthcare, and Sports, etc.

A detailed Annual Report as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 containing details of CSR activities & contents of CSR policy is annexed as Annexure E.

CSR policy of the Company is available on the Company's website and can be accessed through the following link. http://vrlgroup.in/investor_download/CSR%20POLICY.pdf

35. ANNUAL RETURN:

A copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as of the end of the financial year i.e. 31st March, 2022 is uploaded on the website of the Company in the Investor Relations Section under the tab 'Annual Return' and can be accessed at https://www.vrlgroup.in/vrl_investors_desk.aspx?display=annual_return

36. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and expenditure are annexed hereto as Annexure F and forms part of this Report.

37. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms of this report and annexed herewith as Annexure G.

A statement containing top ten employees in terms of remuneration and the names of every employee who was in employment of the Company throughout the year and was in receipt of the specified remuneration is also included therein.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company.

40. INDUSTRIAL RELATIONS

During the year under review, your Company experienced cordial relationship with workers and employees at all levels, throughout the year.

41. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and company's operations for a foreseeable future.

42. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place a Policy for Prevention Prohibition and Punishment of Sexual Harassment of Women at Work place in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

43. ACKNOWLEDGMENTS AND APPRECIATION

The Directors take this opportunity to thank the Company's customers, shareholders, investors, suppliers, bankers, financial institutions and Central & State Governments for their consistent support and cooperation extended to the Company. The Directors also wish to place on record their appreciation towards employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Dr. Vijay Sankeshwar
Chairman & Managing Director
DIN: 00217714

Place: Hubballi
Date: 27th May 2022

Annexure A DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

SEBI vide its Notification dated 8th July 2016 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and inserted a new Regulation 43A thereby making it mandatory for top 500 listed entities to have a policy on Dividend Distribution which shall provide the various parameters that are to be taken into consideration before declaration of any dividend.

2. OBJECTIVE

The objective of this Policy is as follows:

- a. To define the policy and procedures of the Company in relation to the declaration / recommending Dividends.
- b. To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.
- c. To ensure a regular dividend income for the members and long term capital appreciation for all stakeholders of the Company.
- d. To ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

3. APPLICABILITY:

The policy set out herein relates to Equity Shares only and not applicable to any preference shares that the Company may issue or any other security on which dividend payment option may exist.

The Board of Directors reserves the right to modify this policy to accommodate the preference shares or make separate policy for preference shares or any other security in accordance with applicable provisions of the Companies Act, 2013 read with rules made there under as and when it deems fit and necessary or as and when it is statutorily required to the company. The policy set out herein relates to final as well as Interim Dividend as may be proposed / recommended or declared by the Board from time to time.

4. SCOPE, LAW, RULES AND REGULATIONS:

The declaration and payment of dividend is governed by the provisions contained in chapter - VIII from section 123 to 127 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules 2014 (as amended from time to time). Also, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 deals with the additional procedure for listed entities including prior intimation to Stock Exchanges, Record Date etc.

Other applicable Acts and guidelines include:

- Security Contract Regulation Act, 1956;
- Income Tax Act, 1961;
- Secretarial Standards on Dividend prescribed by the Institute of Company Secretaries of India;
- RBI Guidelines / Circulars / Notifications to the extent applicable,
- FEMA, 1999,
- SEBI Guidelines / Circulars etc.

The Company shall adhere to above laws in specific and to all other applicable laws in general while declaring or payment of dividend.

5. DECLARATION AND PAYMENT OF DIVIDEND

5.1 CIRCUMSTANCES UNDER WHICH DIVIDEND IS DECLARED

Maintaining a reasonable balance between cash retention and distribution of dividend would facilitate the smooth working of Company's affairs. The Company believes that cash retention is required for expansion and diversification of the Company including acquisitions to be made by it, and also as a means to meet contingencies.

a) Adequate Profits:

The Company shall declare dividends for a financial year out of the profits of the company for that year or out of the profits of the company for any previous financial year or years after providing for depreciation in accordance with applicable laws. The Company has a practice of paying dividend and has been consistently declaring and paying dividend for the previous 5 years. The Company reserves the right to declare interim dividend during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is sought to be declared.

b) In-adequate Profits:

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the following conditions:

- (a) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by the Company in the three years immediately preceding that year.
- (b) The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves of the Company as appearing in the latest audited financial statement.
- (c) The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.
- (d) The balance of reserves after such withdrawal shall not fall below fifteen per cent of the Company's paid up share capital as appearing in the latest audited financial statement.
- (e) The Company shall not declare the dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the Company of the current year. Further, in the event the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

c) The Company shall not declare dividend in the following circumstances:

- There are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- As a result of paying Dividends, the Company would be rendered insolvent or bankrupt;
- By operation of law for time being in force.

5.2 FINANCIAL PARAMETERS OR FACTORS DETERMINING DIVIDEND

In determining the Company's dividend payout, the Board of Directors considers a variety of factors or financial parameters, including:

1. Liquidity position of the Company
2. Need for further capital
3. Stability of earnings;
4. Legal requirements, taxation & other Government policies;
5. Dividend payout history;
6. Dividend type and its time of payment;
7. Any potential corporate actions like acquisitions etc;
8. Expansion of business;
9. Statutory conditions or restrictions as may be provided under applicable laws.

5.3 USAGE OF RETAINED EARNINGS

Company can use its retained earnings to gain competitive advantage. The competitive advantage can be achieved by increasing sales or by increasing profit margin. To improve sales or margins company shall either expand its capacity or modernize its facility to make it more productive. For both expansion and modernization's plans retained earnings can be utilized by the Company.

5.4 PERSONS ENTITLED TO RECEIVE DIVIDENDS

Save as provided in Section 27 of the Securities Contracts (Regulation) Act 1956, all persons whose name appears on the register of members as on the record date fixed by the Company for determining eligible shareholders for dividend are entitled to receive dividends.

5.5 PROCEDURE FOR PAYMENT OF DIVIDEND

- Company shall declare and disclose the dividend on per share basis only in terms of Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 91 of Companies Act, 2013.
- Prior intimation as required under Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 shall be given to Stock Exchanges within such days as prescribed in the said Regulations.

- Outcome of the Board Meeting where dividend is final or interim recommended / declared by the Board shall be intimated to Stock Exchanges within 30 minutes of conclusion of Board Meeting as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- Record date shall be fixed in compliance with Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and shall also be intimated to Stock Exchanges within such time as prescribed in the said Regulations.
- The amount of the dividend (including interim dividend), must be deposited in a scheduled bank in a separate account within 4 days from the date of declaration of such dividend.
- The dividend has to be paid within 25 days from the date of declaration or such other period as is applicable by law.
- No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker.
- The dividend is paid under two modes viz., (a) Credit to the bank account via Electronic Clearing Services (ECS)/ National Electronic Clearing Services (NECS)/SWIFT transfer; and (b) Dispatch of physical dividend warrant/cheque to the concerned shareholder.
- A cheque or warrant for payment of Dividend should be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it should be revalidated for not more than three months or a fresh instrument should be issued which should have a validity of three months.
- The Company should revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order in lieu thereof, within 30 days of the receipt of a request for revalidation.
- A duplicate Dividend warrant should be issued only after the expiry of the validity of the Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the company, a duplicate warrant should be issued only after obtaining requisite indemnity/ declaration from the Shareholder.
- In the case of defaced, torn or decrepit Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the company of such defaced, torn or decrepit warrant.
- Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the person to whom the Dividend warrant is issued, the number and amount of the Dividend warrant in lieu of which the duplicate warrant is issued and the date of issue of such duplicate warrant.
- Company shall follow other procedures laid down under the Companies Act 2013 or SEBI Rules and Regulations as may be applicable in respect of declaration of dividend (interim or final).

6. TAXATION

Company shall adhere compliance with the extant tax laws in relation to dividend payments and will accordingly disseminate the needful information for the benefit of members to facilitate their obligations, as may be applicable, in this regard.

7. UNCLAIMED DIVIDEND

- Dividend that has been declared by the Company and not been paid or claimed by the shareholder, within 30 days from the date of such declaration, the Company shall within seven days from the expiry of the said 30 days, transfer such unpaid or unclaimed dividend amount in a special account to be opened with any scheduled bank which shall be called the unpaid dividend account. Any person claiming to be entitled to any money transferred to unpaid dividend account may apply to the Company for payment of the money claimed.
- The Company shall within a period of 90 days of making the transfer of dividend amount to the unpaid dividend account, prepare a statement containing the names, the shareholders' last known addresses and the unpaid dividend amount and place it on its website and also on the website/person/authority/committee approved by the Central Government.
- Dividend that is not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund established by the Central Government.
- In case shareholder has any unclaimed/ unpaid dividends in respect of the financial years mentioned in our website, may apply for payment in terms of section 124(4) of Act and shall write to Registrar and Share Transfer Agent of the Company for claiming the amount.
- Before transferring any amount to the Investor Education and Protection Fund, the company should give individual intimation to the Members in respect of whose unclaimed Dividend the amount is being transferred, at least three months before the due date of such transfer.
- After the expiry of the period of seven years from the date from which unclaimed and unpaid Dividends were transferred

to the Unpaid Dividend Account, no claims shall lie against the company in respect of any such amounts. Hence, the company should intimate the concerned Members individually of the amount of Dividend remaining unclaimed which is liable to be transferred to the Investor Education and Protection Fund and advising the Member to claim such amount of Dividend from the company before such transfer

8. AMENDMENTS TO THE POLICY:

In case of any subsequent changes in the provisions of the Companies Act 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

The Board of Directors of the Company may subject to applicable laws amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

Annexure B NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted Remuneration Committee as required under the said laws. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, the Board on 26 August 2014 changed the nomenclature of the "Remuneration Committee" to "Nomination and Remuneration Committee".

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and applicable provisions of SEBI Listing Regulations.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- (i) "Board" means Board of Directors of the Company.
- (ii) "Company" means "VRL Logistics Limited."
- (iii) "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- (iv) "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 / SEBI Listing Regulations.
- (v) "Key Managerial Personnel" (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer termed as KMP by the Company
- (vi) "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.
- (vii) "Policy or This Policy" means, "Nomination and Remuneration Policy."
- (viii) "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- (ix) "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Board of Directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Management team . Directors of the quality required to run the Company successfully

- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. **ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of such duties.

VII. **MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and other applicable statutory requirements.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. **CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. **FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

X. **COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. **VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. SECRETARY

The Company Secretary of the Company shall act as the Secretary to the Committee.

XIII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person): - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of such term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIV. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under law.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs, if any, approved by the Shareholders whenever required under law. Increments will be effective from the date of reappointment in respect of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

XV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XVI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. The Board shall have such authority to approve deviations on the recommendation of the Nomination and Remuneration Committee.

XVII. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure C

CRA - 3 COST AUDIT REPORT

We, S. K. Tikare & Co. Cost Accountants, having been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 of VRL LOGISTICS LIMITED having its registered office at 18th KM, Bangalore Road, NH 4, Varur, Hubballi 581207 (hereinafter referred to as company) have audited the books of Cost Records maintained under section 148 of the said Act, in compliance with the Cost Auditing Standards Records in respect of Wind Power Division, Product Group No 2008 for the year 2021-22 (April 2021 to March 2022) maintained by the company and report,

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit;
- (ii) In our opinion proper cost records, as per Rule 5 of the Companies (Cost Records and Audit) Amendment Rules, 2014 have been maintained by the company in respect of the product(s)/ service (s) under reference.
- (iii) In our opinion proper returns adequate for the purpose of Cost Audit have been received from the branches not visited by us;
- (iv) In our opinion and to the best our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required;
- (v) In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- (vi) In our opinion, information, statements in the annexure to this Cost Audit Report gives a true and fair view of the cost of production of product(s)/rendering of services, cost of sales, margin and other information relating to the product(s)/service(s) under reference.
- (vii) Detailed unit-wise and product/service wise cost statements and schedules thereto in respect of the product/services under reference of the Company duly audited and Certified by us are kept in the company.

There are no observations and suggestions, of the cost auditor, relevant to cost audit.

Date : 27th May, 2022

Place : Belagavi

UDIN:2220794A1R3K54Z5MF

Signature & Seal of the Cost Auditor

For S K Tikare & co

Cost Accountants

(CMA.Sanjay K Tikare)

M No 20794. F R No 101039

Annexure D

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022
(Form MR-3)**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VRL Logistics Limited
Hubballi

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VRL Logistics Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the VRL Logistics Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VRL Logistics Limited ("the Company") for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as ;
 - (c) The Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The Company has not dealt with Employee Stock Option Scheme and Employee Stock Purchase Scheme, Issue and Listing of Debt Securities, Equity/ Redeemable Preference Shares, and therefore the following regulations are not applicable:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations, up to September 10, 2018 And SEBI ICDR Regulations, 2018 w.e.f September 11, 2018 and
- (e) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
- (vi) Other laws applicable as per the representations made by the management;
 - Carriage by Road Act 2007,
 - Motor Vehicles Act, 1988
 - The Aircraft Act, 1934
 - The Carriage by Air Act 1972
 - The Electricity Act, 2003
 - The Petroleum Act 1934
 - The Food Safety and Standards Act 2006
 - Consumer Protection Act 1986

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review, as per the explanations and representations received from the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:-

- a) The Board Meeting/Audit Committee Meeting in the 1st quarter of FY 2021-22 was held on 12.06.2021, after a gap of 125 days instead of 120 days, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, as stated by the Company, due to extra-ordinary situation caused by Covid-19/Lock down/ restrictions on movement of persons/Auditors, SEBI granting time for filing Financial results for the year/quarter ending 31.03.2021 up to 30.06.2021 and MCA also granting permission to hold Board Meeting beyond gap of 120 days during the said period, the Company held its Meeting after a gap of 125 days taking into account the feasibility and convenience of all concerned which was the earliest possible schedule for holding the said Meeting.

I further report that based on the information provided and representation made by the Company and on the basis of Compliance report taken on record by the Board, in my opinion adequate systems and processes exist in the Company to monitor and ensure Compliance with Other laws applicable, rules, regulations and guidelines.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were in general, carried out in compliance with the provisions of the Act.

In general, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever shorter notices were given, the same was given with the consent of all the Directors and such meeting were held with the participation of Independent Director/s and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Meetings recorded, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that as per the information provided, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines..

I further report that during the audit period,

- (a) There are some continuing civil/criminal proceedings pending disposal with appropriate authorities/ courts and the same is not likely to have a major bearing on the Affairs of the Company.

Place : Bangalore
Date: 27.05.2022

R.Parthasarathy
ACS/FCS No.3667
C P No:838
UDIN: A003667D000407015
P/R No.768/2020

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

'Annexure A' to the Secretarial Audit Report

To,
The Members,
VRL Logistics Limited.,
R S 351/1, 17th KM, NH-4, Bangalore Road,
Varur - 581 207, Hubli.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and the applicable financial laws such as Direct and Indirect tax laws have not been reviewed since the same are subject to review under Statutory Audit and Other Audit/s by designated professionals.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bangalore
Date: 27.05.2022

R.Parthasarathy
ACS/FCS No.3667
C P No:838
UDIN: A003667D000407015
P/R No.768/2020

Annexure E
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy.

VRL Logistics Ltd. has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company and its promoters has taken up various Corporate Social Responsibility (CSR) initiatives and enhanced value in the society.

CSR Objects

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- (a) consistent with sustainable development and welfare of society,
- (b) takes into account the expectations of stakeholders, and
- (c) is in compliance with applicable law, and

Scope

In furtherance of its CSR objects, the Company proposed to meet its CSR obligation through a combination of one or more of the following:

- i. CSR activities implemented by the Company on its own,
- ii. CSR activities of the Company through eligible external trust/society

2. Composition of the CSR Committee

The Board has duly constituted a CSR Committee and its composition is as under-

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Dr. Vijay Sankeshwar	Chairman and Managing Director	3	3
2	Dr. Anand Sankeshwar	Managing Director	3	3
3	Dr. Prabhakar Kore	Independent Director	3	3
4	Mrs. Medha Pawar	Independent Director	3	3
5	Dr. Raghottam Akamanchi	Non- Executive Director	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy

The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The Company has also adopted the CSR committee charter. The CSR policy of the Company is hosted on the website of the Company and can be accessed at the below link http://www.vrlgroup.in/investor_download/CSR%20POLICY.pdf

The composition of the CSR committee is also available on our website, at http://www.vrlgroup.in/vrl_investor_desk.aspx?display=board_committees

The Board, based on the recommendation of the CSR committee, at its meeting held on June 12, 2021, had approved the annual action plan / projects for fiscal 2022, the details of which are available on our website, at https://www.vrlgroup.in/investor_download/Summary%20of%20CSR%20Annual%20Project%20Plan-2021-22.pdf

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

No such impact assessments are required as its total amount spent on CSR Activities does not exceed Rs. 10 Crores in the three preceding financial years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA

6. Average Net profit of the Company as per section 135(5) :

The average net profits for the last three financial years computed as stated under Section 135 of the said act is Rs. 10,420.56 Lakhs.

7. (a) Two per cent Average net profit of the Company as per section 135 (5)):

As stipulated under the Companies Act, 2013, the prescribed CSR expenditure i.e 2 % of the amount as in item no.3 above works out to Rs. 208.41 lakhs.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL

(c) Amount required to be set off for the financial year, if any - NIL

(d) Total CSR Obligation for the Financial Year (7(a) + 7(b) – 7(c). Rs. 208.41

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount.	Date of Transfer.
Rs. 2,35,45,629	NIL	NA	NIL		

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Amount spent for the project (in Rs.).	(7) Mode of Implementation - Direct (Yes/No).	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Healthcare Facility	(i)	Yes	Karnataka	Dharwad	50,00,000	No	Majethia Foundation	CSR00010565
2	Healthcare Facility- Donation of 15 Oxygen Concentrators to Hospital under Pandemic situation	(i)	Yes	Karnataka	Dharwad	13,00,000	Yes	NA	NA
3	Healthcare Facility- Donation of Medical Products under Pandemic situation	(i)	No	Karnataka	Bengaluru	15,00,000	Yes	NA	NA
4	Education-Sense Essence – Braille Project for Visually Blind persons	(ii)	Yes	Karnataka	Dharwad	7,92,529	Yes	NA	NA
5	Healthcare Facility- Donation of Ambulance	(i)	Yes	Karnataka	Dharwad	5,00,000	Yes	NA	NA
6	Healthcare Facility- Donation of Medical Products	(i)	No	Gujarat	Ahmadabad	2,00,000	No	Indrajit Chimanlal Shah Charitable Trust	CSR00003394
7	Healthcare Facility- Donation of Smart vision Glass Assistive Device	(i)	Yes	Karnataka	Dharwad	3,99,840	Yes	NA	NA
8	Education – Fees paid for education of poor student	(ii)	No	Karnataka	Bengaluru	1,61,875	Yes	NA	NA
9	Annapoorna Education – Infrastructure for Midday meals Project	(i)& (ii)	No	Karnataka	Bengaluru	50,00,000	No	Smt. Girija Shastry Memorial Trust-Adamyia Chetana	CSR00005727
10	Sports Encouragement – Badminton Training	(vii)	No	Karnataka	Bengaluru	49,500	Yes	NA	NA
11	Construction of Old-age Home and Orphanage	(iii)	Yes	Karnataka	Dharwad	2,15,645	Yes	NA	NA
12	Honorarium to Primary School Teachers	(ii)	Yes	Karnataka	Dharwad	1,16,700	Yes	NA	NA
13	Education – Drinking Water Facility at Student Hostel Premises	(ii)	Yes	Karnataka	Dharwad	2,55,860	Yes	NA	NA
14	Healthcare – Donation of Dialysis Machine Charity Hospital	(i)	No	Karnataka	Mysuru	31,51,680	No	NA	NA
15	Scholarship - Education Expenses of 150 students	(ii)	No	Karnataka	Chikkaballapur	40,50,000	No	Each One Educate One Foundation	CSR00000931
					TOTAL	2,26,93,629			

(d) Amount spent in Administrative Overheads: Rs. 8,52,000/-

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year: Rs. 2,35,45,629/-

(8b+8c+8d+8e)

(g) Excess amount for set off, if any

SI No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,08,41,126.67
(ii)	Total amount spent for the Financial Year	2,35,45,629.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	27,04,502.33
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	27,04,502.33

9. (a) Details of Unspent CSR amount for the preceding three financial year: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any,			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
NA							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Stats of the project - Completed/ Ongoing
NA								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) - **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset - **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Nil**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Nil**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not Applicable**

Dr. Vijay Sankeshwar
Chairman & Managing Director
 (DIN: 00217714)
 Place: Hubballi
 Date: May 27, 2022

Dr. Anand Sankeshwar
Managing Director
 (DIN: 00217773)
 Place: Hubballi
 Date: May 27, 2022

ANNEXURE 'F'

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo pursuant to the provisions of section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A) CONSERVATION OF ENERGY

I) Steps taken by the Company or impact on conservation of energy

1. We are in the process of converting diesel forklifts to electric forklifts.
2. LED lighting is being predominantly used across a majority of the offices of the Company. Also, preference is being given for the procurement of energy efficient equipment for new equipment additions as also for replacement of existing equipments.
3. For efficient energy and environment conservation, we have started replacing normal lead acid battery with lithium ion batteries since the lead acid battery has an advantage of about 50 % efficiency as compared to lithium ion batteries. It has already been executed in 112 branches across the county.
4. Addition of 19 electric vehicles for fuel conservation.

II) The steps taken by the Company for utilizing alternate sources of Energy

The Company had pioneered the usage of bio-diesel on its fleet of trucks and buses. The same had given good results and has also resulted in cost savings. Efforts and in-house studies are on to ascertain ways of overcoming the shortcomings of this alternative fuel for an all-year-round operation. Continued availability of bio-diesel supply also emerged as a big challenge and efforts are on to identify reliable suppliers for the same.

Procurement of Bio-fuel was to the tune of 6.06% of the total fuel quantity in FY21.

The Company's Clean Development Mechanism (CDM) project with respect to its windmill operations is registered with the United Nations Framework Convention on Climate Change (UNFCCC) and necessary approvals for the trade of carbon credits have been procured. As on date, the Company has a tradable balance of Certified Emission Reductions (CERs) of 11,563 units which has been duly certified.

III) The capital investment energy conservation equipment

A sum of Rs.55.34 lakhs was incurred for the procurement of electric autos.

B) TECHNOLOGY ABSORPTION

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY ETC.,

- I. Efforts, in brief, made towards absorption, adaptation and innovation-**NIL**
- II. Benefits derived as a result of the above efforts, e.g. products, improvement, cost reduction, product developments, import substitution etc. **NIL**
- III. In case imported technology (imported during the last 5 years reckoned from the beginning of the financial year) - **NIL**
- IV. Research and Development

1. Specific Areas in which R & D is carried out by Company

- Nil

2. Benefits Derived out of above R & D.

- Not Applicable

3. Future plan of action

We have placed orders for further 52 electric forklifts and would also continue to convert the balance diesel forklifts to electric forklifts. We are targeting the replacement of Lead Acid Batteries with Lithium Ion batteries in at least 100 branches in the ensuing fiscal.

4. Expenditure on R&D

- | | | |
|---|---|--|
| <ol style="list-style-type: none"> a) Capital b) Recurring as a percentage of turnover. | } | No specific allocation is made in terms of R&D expenditure |
|---|---|--|

The same is an ongoing process. Total and costs incurred on the same are expensed off.

C. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Particulars	FY-2021-22	FY-2020-21
A) Expenditure in foreign currency (accrual basis)		
Aircraft maintenance	490.16	909.22
Purchase of spares	-	-
Professional fees	-	-
Foreign Branch expenses	-	-
Total	490.16	909.22
B) Earnings in foreign currency (accrual basis)		
Transport of passengers by air	18.22	6.21
Sale of Certified Emission Reduction units (Carbon Credits-CERs)	691.49	-
Total	709.71	6.21
C) Value of imported and indigenous materials Spare parts and components including tyres, flaps and re-treading		
Imported	-	-
Amount	-	-
Percentage	-	-
Indigenous	-	-
Amount	-	-
Percentage	-	-
Total	-	-

ANNEXURE 'G'

A. Statement of particulars of Employees pursuant to Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employee for the financial year

Sl. No.	Name	Designation	Ratio of Remuneration
1	Dr. Vijay Sankeshwar	Chairman & Managing Director	280:1
2	Dr. Anand Sankeshwar	Managing Director	194:1
3	Mr. K.N.Umesh	Executive Director	93:1
4	Mr. L. R. Bhat	Executive Director	93:1

Notes:

- None of the other directors are paid any remuneration other than sitting fees. As such their names are not included in the above table.
- Considering the industry in which the Company operates, it is pertinent to note that a majority of the employees of the Company comprise of Drivers, Cleaners, Mechanics and Hamals whose salary would be as per the industry standards.
- Computation of median as detailed above is arrived at also considering the salary drawn by said drivers, cleaner, mechanics and hamals.
- Computation of the said median salary is purely based on the expenditure recognized under employee cost to the Company which excludes other allowances and incentives drawn by these employees which are accounted under Operating Expenses as indicated above.

2. The percentage increase in remuneration of each Director, CFO, CS in the financial year

Sl. No.	Name	Designation	Increase / (Decrease) in %
1	Dr. Vijay Sankeshwar	Chairman & Managing Director	40.42
2	Dr. Anand Sankeshwar	Managing Director	7.14
3	Mr. K.N.Umesh	Executive Director	16.78
4	Mr. L. R. Bhat	Executive Director	21.20
5	Mr. Sunil Nalavadi	Chief Financial Officer	10.98
6	Mr. Aniruddha Phadnavis	Company Secretary	10.84

Note:

- None of the other directors are paid any remuneration except sitting fees and reimbursement of expenses for attending Board and Committee meetings. The details of sitting fees paid are given in the report on Corporate Governance which forms part of this Annual Report.

3. The percentage increase in the median remuneration of employees in the financial year

The increase in the median remuneration during the year was to the extent of 10.82%. This represents a normal increase in the remuneration paid to employees.

4. The number of permanent employees on the rolls of the Company

There were 20788 employees as on March 31, 2022.

5. Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

As can be seen from the above data, the percentile increase in the remuneration of the median employee is in line with that provided to the KMP's. Remuneration increase in respect of directors is higher given the commission of profits paid to the Chairman & Managing Director and rationalization of pay given to other executive directors vis-à-vis industry.

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration paid is in accordance with the remuneration policy of the Company.

Statement of particulars of employees pursuant to rule 5(2) of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014

A. Employed throughout the year and were in receipt of remuneration of not less than Rs.102 Lakhs per annum

SL No	Name & Qualification	Age, Designation	Remuneration (Rs. in Lakhs)	Exp in Yrs	Date of Joining (Initial)	Previous employment/ position held of employment
1	Dr. Vijay Sankeshwar B.Com	71, Chairman & Managing Director	434.00	47	31.03.1983	-----
2	Dr. Anand Sankeshwar B.Com	47, Managing Director	300.00	32	01.12.1990	-----
3	Mr. K. N. Umesh B.com	68, Whole-time Director	144.04	39	03.12.1984	One year service in Anil Rerolling Mills Pvt. Ltd. Bengaluru as an Accountant
4	Mr. L R Bhat D.M.E	63, Whole-time Director	144.04	41	01.07.1995	14 year service in Ashok Leyland Limited as Deputy Manager

B. Employed for a part of the year and were in receipt of remuneration of not less than Rs. 8.50 Lakhs per month :

SL No	Name & Qualification	Age, Designation	Remuneration (Rs. in Lakhs)	Exp in Yrs	Date of Joining	Previous employment/ position held of employment
1	Capt. T. Manesh Gopal, B.A., ATPL	52, Chief Pilot	64.52	32	01.05.2011	21 year service in Indian Air Force

Note : Capt. T Manesh Gopal left the services of the company w.e.f 30.09.2021.

C. Top 10 employees in terms of remuneration

SL No	Name & Qualification	Age, Designation	Remuneration (Rs. in Lakhs)	Exp in Yrs	Date of Joining	Previous employment/ position held of employment
1	Dr. Vijay Sankeshwar B.Com	71, Chairman & Managing Director	434.00	47	31.03.1983	-----
2	Dr. Anand Sankeshwar B.Com	47, Managing Director	300.00	32	01.12.1990	-----
3	Mr. K. N. Umesh B.Com	68, Whole-time Director	144.04	39	03.12.1984 (re-appointed on 01.06.2012)	One year service in Anil Rerolling Mills Pvt. Ltd. Bengaluru as Accountant
4	Mr. L R Bhat D.M.E	63, Whole-time Director	144.04	41	01.07.1995 (re-appointed on 14.03.2014)	14 year service in Ashok Leyland Limited as Deputy Manager

5	Capt. Prasad Satish Jade	Co- Pilot	74.40	12	01.03.2021	11 year service in M/s Abirami Soap Works LLP (formerly known as 'Power soaps") as Chief Pilot.
6	Capt.Satish Kumar Singh B.A.(Maths)	54, Line Captain	73.80	04	01.04.2018	1 year as Senior Commander in Jet Airways
7	Capt. Abhishek Pradeep Kumar Sinha	47, Pilot	69.00	23	01.10.2018	Indian Air Force, 10 years as operational pilot, 2 years flying instructor, 9 years experimental test
8	Capt. T Manesh Gopal B.A, ATPL	52, Chief Pilot	64.52	32	01.05.2011	21 year service in Indian Air Force
9	Sunil Nalavadi B.Com, ACA	45, Chief Financial Officer	42.04	17	31.03.2005	Started his career in the Company as Chief Accounts Officer
10	Capt.Jeyjo Pothan	Co- Pilot	41.25	25	23.11.2020	Indian Air Force, 23 years as Pilot

Notes:

1. Remuneration shown above includes salary and perquisites but does not include Company's contribution to Provident Fund / Gratuity Fund.
2. The monetary value of perquisites is calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made there under.
3. Nature of Employment of the Executive Directors as stated above is contractual. The other individuals named above are employees of the Company.
4. None of the employees listed above held any shares in the Company as of 31.03.2022 except Dr. Vijay Sankeshwar who held 29,792,000 equity shares (33.72% of the paid up capital of the Company), Dr. Anand Sankeshwar who held 31,265,250 (35.39% of the paid up capital of the Company) equity shares, Mr K N Umesh who held 1750 equity shares Mr. L R Bhat who held 2115 equity shares jointly with his spouse and Capt. T Manesh Gopal who held 1 equity share in the Company.
5. Dr. Vijay Sankeshwar and Dr. Anand Sankeshwar are related to each other.

Dr. Vijay Sankeshwar
Chairman & Managing Director
(DIN: 00217714)
Place: Hubballi
Date: May 27, 2022

Dr. Anand Sankeshwar
Managing Director
(DIN: 00217773)
Place: Hubballi
Date: May 27, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The logistics industry in India, considered to be the lifeline of the country, holds unprecedented importance as it connects various markets, suppliers and customers dotted across the country, and has now been firmly embedded as an integral part of the national GDP value chain. The Indian logistics sector provides livelihood to more than 22 million people. The logistics industry is highly fragmented and consists of multiple active players which include large scale domestic players, leading global players and emerging start-ups specializing in e-commerce deliveries.

Infrastructure readiness and technology are expected to be the key drivers of growth for the Indian logistics industry. The growth in logistics sector is expected to be driven by increasing penetration of products into more cities and towns, as well as the growth of economic activity and manufacturing moving to these towns. In addition, the demand for value-added services from consumers provides opportunities for the Industry players to elevate themselves from an operational role to a more strategic one.

The logistics sector has witnessed robust growth with the highest share in the freight forwarding market, followed by the warehousing, courier parcel, and express and value-added services markets. The Indian freight and logistics market is evolving, keeping in line with the technological and infrastructural developments and various policy reforms taken by the government, including the introduction of e-way bills, fast-tag, e-invoicing, and GPS-based toll collection. The National Logistics Policy (NLP) is aimed at streamlining and strengthening India's logistics sector, promoting the seamless movement of goods across the country, and increase the ease of doing business for players in the sector.

The traditional logistics industry in India is witnessing a significant shift toward digitization and contactless operations due to the COVID-19 pandemic. The robust growth in manufacturing envisioned through the "Make in India" initiative will demand high levels of logistical efficiency, which means that goods must be produced and efficiently transported to markets at reasonable prices.

The deeper penetration into Bharat (Tier II, III & IV towns), economy enhancing initiatives, GST implementation and other initiatives such as Make in India, Digital India and the National Logistics Policy, all hold a promise for an efficient and integrated logistics industry in the days ahead.

The Multi-Modal Logistics Parks (MMLPs) policy is a key policy initiative of the Government of India to improve the country's logistics sector. This initiative will lower freight costs, reduce vehicular pollution and congestion, and cut warehouse costs to promote domestic and global trade. The government is also focusing on strengthening the market in terms of competition, reduced freight rates and barriers, and technological developments. The agricultural, retail, and manufacturing sectors are boosting the country's freight and logistics industry

With the aforementioned efforts it is hoped that in the next 5 years the targets set by the National Logistics policy to improve India's ranking in Logistics Performance Index to 25 will ensure that the Logistics sector serves as an engine of growth and a key driver for transforming India to a 5 trillion dollar economy

Road transportation is highly fragmented: The approximately \$ 110 billion market in India can be divided into full truck load (FTL) and less than a truck load (LTL-which is 35 percent of the road transportation market). Owners of fewer than five trucks provide more than half of all goods vehicles on the road. Platformization provides the optimal means to aggregate such a fragmented market and better utilize trucks.

Significant issues plague the transportation value chain: The market depends heavily on regional brokers and struggles with financing issues. Shippers face issues such as low-price power, low efficiency and transparency, and the limited visibility of vehicles and shipment in the value chain. Carriers lack skilled drivers, technology, struggle with unpredictable backhaul availability and face long detention times. Middlemen (one or many) bridge the distance between the shipper (load provider) and truck/fleet owner resulting in additional costs in the system. A network and greater scale could help to organize this highly fragmented market, streamline costs for customers/shipment providers, convert large LTL to FTL by combining load and ensure steady load and profits to carriers/truck owners. This could help logistics players to double margins and resolve key issues.

The way companies use FTLs, LTLs, and milk runs, for example, is changing. In the supply chains of fast-moving consumer goods and some other products, milk runs are more efficient because they can effectively aggregate demand across several different Stock Keeping Units (SKUs) and companies. To become more responsive to changing demand, companies are also increasing their use of LTLs. Strategically choosing when to use LTLs, FTLs, and milk runs to meet demand is one of the key decisions that must be made, and the principles that guided them before the pandemic have been overtaken by events. (<https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/indias-postpandemic-logistics-sector-the-need-for-technological-change>)

Already, logistics players are attempting to create a network at scale through one of three approaches:

Line haul (FTL/LTL) focused network (asset-backed/"asset right"): This model requires the right mix of asset ownership and service provider partnership to be cost competitive. The load needs to hit a critical mass on the network to ensure maximum utilization of trucks resulting in cost leadership.

Last-mile delivery network: While this model helps to reduce costs by consolidating loads to convert LTL into FTL movement, it can also use the same network for only FTL services. Offerings include same-day delivery, time-window/slotted delivery, multiple payment options, streamlined return logistics and 24x7 visibility. The fulfilment centres also function as warehouses.

Hyperlocal services: This model requires high utilization to address skewed demand during peak time periods. For this model, load consolidation and route planning are critical to reduce costs. Key success factors also include expanding the network to multiple cities across India as well as deep pin-code level coverage within the city. Logistics players could choose a mix of different models to offer integrated, “one-stop shop” services to their customers.

2. SWOT ANALYSIS

STRENGTHS

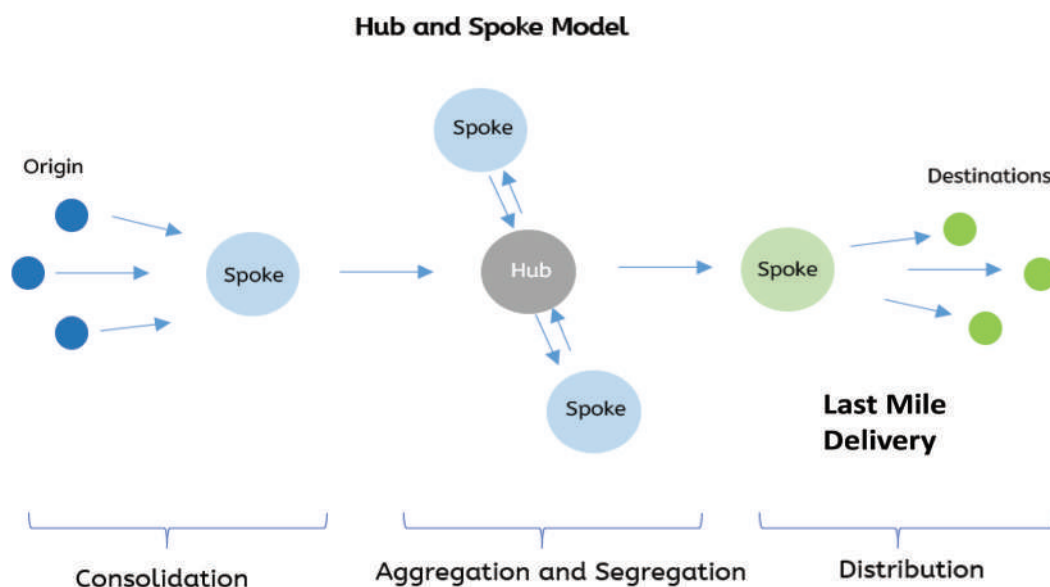
VRL core strength is the large size and scale of operations we undertake on a pan India basis. With a track record of over four decades, we are one of the largest distribution networks in India. We are the only “Asset- Right” organised player in Less than Truck load logistics business in India. Our wider spread provides us greater stability during regional disturbances.

VRL is a well-established brand in the country when it comes to surface transportation and the industry leader in the parcel transportation space. As on 31st March 2022, the Company operated with the total of 4816 vehicles with a carrying capacity of 71056 tons, and several owned premises, including branches, offices and transshipment hubs. We maintain our stand that your Company also occupies the leadership position in the country for Less than Truck Load (LTL) movement of goods and it is only the absence of validated industry data that prevents us from acclaiming this fact.

The two major advantages that your Company enjoys over its competition are its well established wide network of branches and franchisees and its owned fleet of commercial vehicles with dedicated in-house vehicle body designing and vehicle maintenance facilities to cater to the parcel transportation. The Company presently operates across 23 States and 4 Union Territories in India and its reach is unmatched for the offering of LTL goods transportation services.

Your Company is also one of the largest fleet owner of commercial vehicles in the Country and the same enables the Company to set unparalleled standards in the movement of LTL cargo in India through Hub and Spoke model in terms of service levels and safety of consignments.

The below figure depicts the ‘Hub and Spoke’ consignment delivery model followed by the Company.



The hub-and-spoke model creates numerous benefits, including:

- Continuous movement for loads thanks to centralized handoffs.
- Reduced lengths-of-haul, which improve scheduling, reduce transit time and help drivers
- Consistent on-time performance, which enhances service levels and ensures products arrive in the right place at the right time.
- Improved driver recruiting and retention. This produces additional benefits, including higher tenure, route consistency, increased transit dependability and performance, and improved safety.

- Reduced costs and enhanced productivity
- Lower carbon footprint, because few empty miles driven reduces wasted fuel and emissions.
- Consistent pricing mitigates the risk of third-party carrier price fluctuations.

The policy at VRL is to own its vehicles for offering LTL services as also own significant infrastructure facilities comprising of ware houses and maintenance facilities. We also have a dedicated in-house IT setup which is a significant strength of your Company and the same has rendered a lot of control, cost savings and business flexibility over the years. The entire IT infrastructure of the Company is operated internally and the in-house developed ERP enables the Company to seamlessly operate on an online real time basis across all its business verticals as also integration with franchisees and select customers. Your Company also has built up capability to maintain its owned vehicle fleet internally and the cost savings arising out of economies of scale by way of tie-ups with fuel suppliers, vehicle manufacturers for supply of spare parts, tyres etc., as well as ongoing in-house R&D in this domain have enabled the Company to utilize its vehicles for a significantly longer term vis-à-vis the industry as also at significantly lesser maintenance costs.

Given below is the fleet break-up as owned by the Company –

As of	0.5 tons to 2.5 tons (a)	2.5 tons to 7.5 tons	7.5 tons and above	Available Capacity (tons)	Tanker (1)	Cranes (2)	Total Vehicles Owned	Buses	TOTAL FLEET
31-Mar-22	358	933	3489	71056	22	14	4816	295	5111

Note: (a) – this category consists of electric vehicles. (1) Used for transportation of liquid (2) Cranes are predominantly used for internal operations.

Your Company benefits from in-house research and development with a capability to implement its findings and experiment with newer products and technologies on its owned vehicles. Several of its key findings have today been accepted and implemented even by vehicle manufacturers. In combination with own vehicle body designing facility and also with combination of multiple types of commodities handling such as heavy and bulk consignments inside goods carriages, the goods carriages can be utilized at higher capacity as compared to the earlier periods.

Overall, the in-house maintenance facility helps the Company to better utilize its fleet than competition as the vehicles owned by the Company can be used for longer period of time vis-à-vis outside vehicles. ~50.37% of the Goods transportation vehicles are fully depreciated ensuring vehicle fleet availability with no additional depreciation costs. Also ~91.24% of the Goods Transportation fleet is debt free – no associated finance costs.

Your company proposes to add 1,600 customized trucks comprising of 1,000 trucks of TATA LPT 2818 make, 200 trucks of TATA LPT 1415 make, 100 trucks of TATA 610 SFC make, 200 trucks of Ashok Leyland 1920 make and 100 trucks of Ashok Leyland 4620 make and the fleet addition is expected to commence by April 2022 would be spread over the time frame of over 12-18 months.

Your Company also has a very well diversified customer base of 7 lakhs plus clients across the various Industry Sectors. During FY 2021-22, the Company's largest customer and the top 10 customers put together contributed only 1% and 3% of the revenues of the Goods Transport business respectively. Lowest Trade Receivables in the industry. This has ensured that the Company has no dependencies on any customers or product categories. Similarly, there are no geographical or product related dependencies for the business which better insulates your Company vis-à-vis competition.

With emphasis on connectivity, the management have taken the right steps to identify and expand the branch network.

Going further this would lead to openings of newer business premises and help into tapping newer sectors from which the company would greatly benefit.

WEAKNESSES, RISKS AND CONCERNS

As per International Monetary Fund (IMF) World Economic Outlook, October 2021, the global recovery is continuing, but the momentum has slowed, hampered by the pandemic. Pandemic outbreaks in critical links of global supply chains have resulted in longer-than-expected supply disruptions, further feeding inflation in many countries. However, downside risks emanating from outbreak of new variants of COVID-19 remain.

India's logistics sector is highly fragmented and the aim is to reduce the logistics cost from the present 14% of GDP to less than 10%. India's logistics sector is very complex with more than 20 government agencies, 40 PGAs, 37 export promotion councils, 500 certifications, 10000 commodities, 160 billion \$ market size. It also involves 12 million employment base, 200 shipping agencies, 36 logistics services, 129 ICDs, 168 CFSs, 50 IT ecosystems and banks & insurance agencies. (source: <https://commerce.gov.in/press-releases/national-logistics-policy-will-be-released-soon-policy-to-create-a-single-window-e-logistics-market-will-generate-employment-and-make-msmes-competitive-nirmala-sitharaman/>)

The sector is also constantly grappling with inefficiencies, however, because of which the cost of Indian logistics is 13 to 14 percent of GDP (in developed nations these costs amount to 8 to 10 percent of GDP). These inefficiencies stem from three reasons:

1. The two most unorganized sectors dominate the logistics market—road transport and warehousing. Road transport is particularly deeply fragmented—truck owners with fewer than five trucks constitute more than half of all goods vehicles on the road.

2. India's modal mix is heavily skewed towards road, with 60 to 65 percent of transport happening via road compared to 25 to 30 percent in developed countries, prompting higher costs. The use of inland waterways and coastal shipping is limited, while the containerization of cargo in rail remains minimal.

3. Indirect costs are high and include inventory carrying costs, theft and damages— often because of poor planning, forecasting and lack of proper management of stock.

The key issues affecting the overall performance included gaps in infrastructure which had so far been developed on a sectoral basis, a varied and silo-based legal and regulatory environment, disjointed IT systems, overdependence on road transport, suboptimal use of existing infrastructure due to suboptimal sharing of capacities, lack of skilled manpower, low predictability and visibility in supply chains resulting in heavier than necessary inventory costs and so on. With logistics costs in the country still high, integrated development of the logistics sector was identified as a key area of reform. To achieve this, it was necessary to build a single government institution that would oversee, coordinate with multiple and fragmented stake holders across union government and states and would help develop the logistics sector into a strength for the economy by bringing down logistics costs. This offered a huge scope for improvement in the competitiveness of supply chains in India.

Organizations have realized that they need to build networks and/or channels that will allow them to adapt quickly and easily in a changing environment. Organizations will have to build systems that can optimize costs, accelerate reaction times and diversify channels. For networks to adapt quickly and function smoothly, it is also important to build agile teams willing to change and adapt rapidly to the external environment. Swift reaction to disruptions can hasten change and minimize damage. Given the same as also the very nature of LTL freight being transacted, we believe that your Company would easily adapt to any given change being witnessed across markets as owing assets and operating offices across the country provides it with the requisite flexibility and option to moderate or reorganize any changes to freight movements.

Our Bus operations are inherently seasonal and were affected by the pandemic during the first quarter of the fiscal. Operations subsequently resumed and picked up from the second quarter. This segment would thereby see lower costs and encourage operators to look beyond their existing route limitations to access newer markets.

The surface transport industry suffers from an acute driver shortage issue and the said problem also affects your Company. The management opines that this is the single most important factor that affects all the transporters across the country. Your Company is however relatively better placed in this regard. VRL offers best in class salaries and emoluments including incentives to its drivers which help retention of this cadre. The Company also has enlisted its drivers on its payrolls and extends all statutory benefits such as PF, ESI, etc. to its drivers. The Company offers a good work environment as well and also takes care of their skill development by conducting routine training programs as well as awareness camps for its drivers. Your Company also conducts frequent health checkup and health camps for the drivers so as to make them more health conscious. Shortages however still remain and your Company is striving to further encourage more and more individuals to take up driving profession by visiting potential villages and towns and trying to remove the stigma being associated with the driving profession. The management also propagates at several forums the necessity of a joint industry effort to overcome this problem which is only expected to become more challenging in the days to come.

Lack of owned infrastructure at key centers is another present day weakness in the management's opinion. The Company has established owned transshipment hubs at key locations like Hubballi, Mumbai, Surat, Mangalore, Mysore, Vijayapura, Ballary Gangavati, and Davangere. Long term leases have also been entered into at key locations such as Chennai, Delhi, Ambala, Hyderabad, Bengaluru, Pune, Kolkata, etc. Owned infrastructure enables the company to set up good quality maintenance facilities as also better infrastructure for goods movement and material handling. The ownership of premises at such key business locations provides the Company with a lot of flexibility in conducting business operations and the same lead to considerable cost savings and also enables the Company to scale up its service levels. Setting up such owned infrastructure would however entail significant investments which in turn affect the return ratios and the management would need to balance the two so as to optimize stakeholder value as well as to cater to business growth for future. Your Company would consider gradually expanding its owned infrastructure at such key locations in the years to come.

OPPORTUNITY

The present day stabilization of the GST regime has necessitated several documentation requirements to which organized players are better suited. Be it e-waybill compliance and providing necessary information to the customers for their compliances etc.

The mandatory E-Invoicing by the business entities with Turnover of Rs. 500 crores and above from October-2020, and further limiting it to Rs. 20 Crores and above from April-2022 would further lay emphasis on entities being more compliant.

The vehicle scrappage policy is a government-initiated program to replace old vehicles from Indian roads. According to the new policy, commercial goods vehicles greater than 15 years will have to be mandatorily scrapped if they do not pass the fitness and emission tests from April 01, 2023.

The imminent implementation of scrappage policy is being tentatively viewed by the road transport industry as there would

be a very significant reduction in the number of vehicles plying on the roads. This however would be a blessing in disguise. The eventual situation of higher demand for vehicles would work favourably and coupled with the inevitable freight rate hike caused by such policy implementation would lead to a higher margins for the Company. Also, given the internal expertise the company has on the vehicle maintenance front a useful spare parts from the vehicles getting scrapped would be available for usage apart from the one-time salvage income expected. It is pertinent to take note that any such scrappage would also not entail any hit to the Company's profitability as the vehicles are fully depreciated.

Though around 1265 vehicles from the existing fleet would be required to be scrapped, in terms of capacity these vehicles account for hardly 18% of its fleet capacity.

THREAT

Fluctuations in fuel prices resulting from diesel de-regulation, lorry hire charges payable to third party vehicles and input costs especially those related to tolls as also others like rent, salary etc. have a significant bearing on the Company's profitability margins. These represent a significant portion of the operating costs and any inability to pass on the same in entirety affects profit margins adversely. In particular, the cost of fuel has increased in the recent years regularly and fluctuates significantly due to various factors which are beyond our control. Historically, due to low customer dependencies, the Company has been in a position to pass on predominantly or at times even completely such increases to customers through periodic increase in freight rates or bus ticket prices. However, the ever present volatility represents a considerable threat to our result of operations.

The Company's operations could also be affected owing to development of newer policies by the different State Governments of the country. To quote an example, several states / cities have prohibited the entry of commercial diesel operated vehicles that are beyond a certain age. This necessitates the shifting of older vehicles and deploying these over other permitted routes which entails a cost. Also, one can never be certain as to when similar decisions would be implemented across other States and major cities which could affect us adversely.

The Company's business operations are totally dependent on the road network in India. There are various factors that affect the road network such as political unrest, bad weather conditions, natural calamities, regional disturbances or even third party negligence that can affect the condition of vehicles and cargo / passengers. Even though the Company undertakes various measures to avoid or mitigate such factors to the extent possible, some of these have the potential of causing extensive impact on operations and assets.

There is an expectation of a further waves of Covid-19. If the same happens, the business operations would again see a disruption over such time that the central govt./state govt. resorts to lockdown. However your Company has demonstrated resilience to such temporary blips and your management remains confident of overcoming any such situation.

3. SEGMENT-WISE PERFORMANCE

The Overall revenues of the Company increased by 36% during the current year in comparison with the earlier year. The total revenue of the Company increased from Rs. 177578.73 lakhs to Rs. 241046.54 lakhs.

The revenue from Goods Transport segment which is the major segment in our operations increased by 34.19% from Rs. 159275.00 lakhs to Rs. 213738.24 lakhs.

The revenue from Bus Operations Segment increased by 57.16% from Rs. 13033.56 lakhs to Rs. 20483.75 lakhs.

The revenue from Sale of Power segment increased by 43.71% from Rs. 1757.44 lakhs to Rs. 2525.69 lakhs.

The revenue from Transport of Passengers by Air segment decreased by 5.83% from Rs.1182.37 lakhs to Rs. 1113.38 lakhs.

4. OUTLOOK

In the press release issued by the Ministry of Finance, GST collections in April touched all time high of Rs. 1.68 lakh crores which have been driven by a 11 year high GDP growth, tightening of compliance by Govt which has led to lower tax evasion and up-tick in high ticket consumption post pandemic

Further, the mandatory E-Invoicing by the business entities with Turnover of Rs. 500 crores and above from October-2020 , and limiting it to Rs. 20 Crores and above from April-2022 would further lay emphasis on Entities being more compliant.

We believe the above steps taken by the Government clearly indicates that the business transactions needs to be done in a complied and organized way rather than the non-complied manner which were or being supported by the unorganized transporters while transporting the Goods.

In the aftermath of the pandemic, financially strong and organized players stand to benefit at the expense of smaller and marginal players who dominate the industry. This was seen last year as well. Also, we now expect better utilization and revenue realization per vehicle for our Goods Transport Vehicles in view of the recent revision in Safe Axle Weights for Goods Transport vehicles which permits the carrying of higher weight on a Goods Transport vehicle thereby increasing its payload.

On the passenger bus operations front, we expect to benefit from the recently introduced 'All India Permit' for private buses which would lead to a significant reduction in the operational cost for that segment.

The inherent strength in our business model ensures that the Company is not dependent on any particular customer or industry for its revenues. In these difficult times, the available drivers and vehicles are being selectively deployed for Full Truck Loads and Parcels depending on return load and other ground level position as the situation warrants. We are transacting freight business coming our way and our entire team has existing customers as also potential customers for getting business. We are doing an internal review and are conducting focused state-region level meeting to increase the freight density in the local pockets for growth and we are encouraged by the response to such initiative.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and the nature of its operations. The Internal Control function emanates at the Board level and its scope and authority of the Internal Audit function is well defined. To maintain objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the executive Chairman and the Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies across the Company. Based on the report of internal audit function, process owners undertake remedial action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

As regards the operation of internal controls, majority of these have been inbuilt in the internal procedures established by the organization which are also documented internally. These include in details the methodology to be adopted right from transacting bookings, effecting consignment deliveries, etc. and also describes the practices to be followed for the smooth operation of business. Inspection teams are formed at the head office level as well as at the transshipment level and cover the entire branch network of the Company periodically for exhaustive inspection for adherence to the set procedure. Deviation from the laid down procedure is escalated to the Functional heads as also directly to the Executive Directors.

The Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the company. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. There are control processes both on manual and IT applications including ERP applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

Other control processes are IT driven and the in-house information technology capabilities ensure that due flexibility is available in the system to further strengthen controls as the case may be. Your management appreciates the need to remain efficient in their workings and recognized their responsibility in establishing controls as also effectively implementing them and monitoring their effectiveness on a periodic basis.

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6. DISCUSSION ON FINANCIAL PERFORMANCE W.R.T OPERATIONAL PERFORMANCE

(₹ in lakhs)

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Total Income	2,41,046.54	1,77,578.73
Profit Before Finance Costs and Depreciation	42,098.16	26,035.04
Finance Costs	4,309.18	3,681.96
Depreciation and Amortisation of expenses	16,799.76	15,979.01
Profit Before Tax	20,989.22	6,374.07
Tax Expense	4,977.96	1,867.28
Profit for the Year(excluding other comprehensive income)	16,011.26	4,506.79

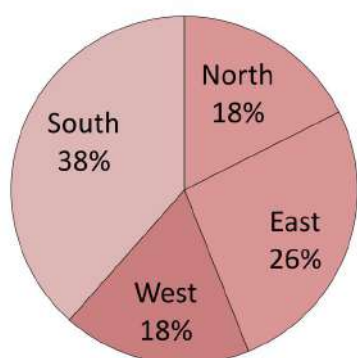
The revenue from operations increased by 35.78% from Rs 176292.24 lacs to Rs 239365.25 lacs. Including other income the growth rate increased by 35.74% from Rs 177578.73 lacs to Rs.241046.54 lacs. EBITDA of the company for FY 2021-22 was Rs.42098.16 lacs.

Your company clocked the highest ever revenues in this fiscal as compared to our earlier years with better profit margins. The improvement in Turnover is on account of Growth in Good Transport segment which is the major segment in our

operation. Revenue from Bus operations also stabilized post covid.

We believe that the growth in our core Goods Transport segment was amply aided by the proactive decisions taken by the management. The change in strategies post covid not only helped in expanding our clientele base but also helped in garnering a large chunk of market share of the shift to the compliance efficient organized business houses, from risky unorganized logistics service providers.

We laid emphasis on expanding our network as is evident from addition of 91 new branches in FY22. Going further, we plan to open more number of branches in the untapped markets. The below diagram illustrates the Zonewise percentage of new branches opened in FY 2021-22.

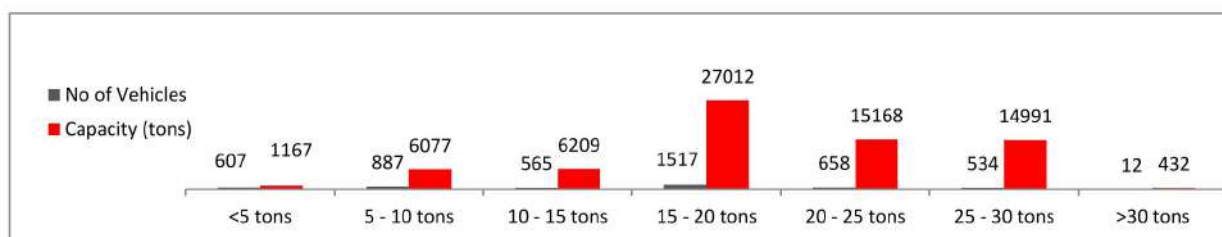


Operations in 23 states and 4 union territories. Focus on increasing presence in the North and Eastern Zones leads to 44% new branches addition in the North & Eastern Zones in FY2021-22

On the Vehicle side, we added 241 vehicles of different capacities in line with our expansion plans to garner more market share and also reduce dependency on third party vehicles. This also includes 19 electric vehicles of smaller capacity.

The below chart illustrates the capacity wise breakup of our vehicles as on 31.03.2022

Capacity Breakup as on Mar 31, 2022



The mandatory E-Invoicing by the business entities with Turnover of Rs. 500 crores and above from October-2020, and further limiting it to Rs. 20 Crores and above from April-2022 would further lay emphasis on Entities being more compliant.

We believe the steps taken by the Government clearly indicates that the business transactions needs to be done in a complied and organized way rather that the non-complied manner which were or being supported by the unorganized transporters while transportation of the Goods. We have also seen that commodities which was being handled majorly by the unorganized sector has seen a major shift to our company , for example : Coconut products – In FY19 we used to handle 48 tons and in FY 22 the same has increased to 5595 tons, Leather products has seen an increase from 2422 tons in FY19 to 15000 tons in FY 22. Areca nuts products has seen an increase from 4925 tons in FY 19 to 11500 tons in FY 22.

To concentrate on the High growth oriented and High Return LTL Goods Transportation business the company has decided to sell the non-core segment of Sale of Power business and also sold one of the Aircraft in Q4 of the current fiscal.

Profitability

In absolute terms, the EBITDA of the company increased by 61.7% from Rs 26,035.04 lakhs to Rs 42,098.16 lakhs. However, when expressed as a percentage to the total income for the year, the EBIDTA margin increased by 2.8% from 14.66% to 17.46% in FY 22. Total operating cost, in absolute terms increased by 31.28% from Rs 1,51,543.71 lakhs to Rs 1,98,948.38 lakhs

The EBIT of the company increased by 151.57% from Rs 10,056.03 lakhs to Rs 25,298.4 lakhs When expressed as a percentage of total income, the same increased by 4.84% from 5.66% to 10.5%.

Depreciation increased by 5.14% from Rs 15,979.01 lakhs to Rs 16,799.76 lakhs

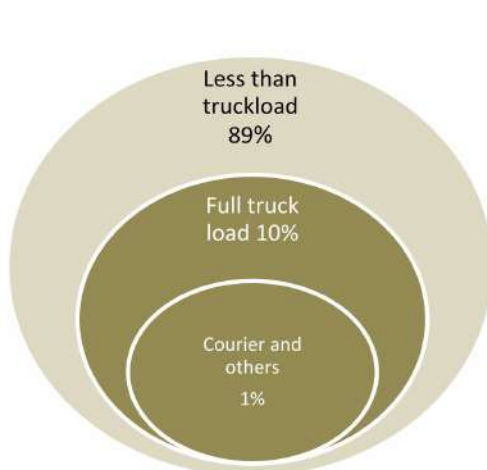
The PBT of the company increased by 229.29% from Rs 6,374.07 lakhs to Rs 20,989.22 lakhs. When expressed as a percentage of total income, the same increased by 5.12% from 3.59% to 8.71%.

Interest Expense increased by 17.03% from Rs 3,681.96 lakhs to Rs 4,309.18 lakhs

Profit after tax of the company increased by 255.27% from Rs 4,506.79 lakhs to Rs 16,011.26 lakhs. When expressed as a percentage to total income it increased by 4.1% from 2.54% to 6.64%

Dividend - The Board of Directors at their meeting held on February 02, 2022 have recommended an interim dividend of Rs.8/- per equity share out of the current year's profits. The same has resulted in a total outflow of Rs.7,067.47 lakhs.

Goods Transport (GT)



Note: Percent to Total Goods Transport Business

- Increase in volume and better realisations leads to higher EBITDA margins
- Geographical Expansion
- Business shift from unorganized to organized fleet operators due to GST, E-way Bill & E-invoicing reforms
- Operational Efficiencies
- Increased contribution from newer commodities.

GT revenue increased by 34.19% from Rs.1,59,275 lacs to Rs. 2,13,738.24 lacs.

Tonnage increased by 27%. The increase in tonnage is on account of addition of new customers in the existing branches, expansion in network by opening of new branches in untapped market, focusing on geographic product-wise marketing and shifting of customers from the unorganized transport service providers to organized service providers on account of reforms in GST and E-way bill compliance norms.

We are hoping that considering our focus to increase our network going forward to the untapped market by opening of new branches and the shifting of customers from unorganised players to organised players (who are contributing major share in the Indian Transport Industry) our growth pattern will continue even going forward.

GT EBITDA of the company increased by 51.13% from Rs 26,641.04 lakhs to Rs 40,263.3 lakhs in absolute terms while margins increased by 2.11% from 16.73% to 18.84% inspite of fuel prices rising continuously in FY 22.

The improvement in EBITDA is mainly on account of increase in GT volumes and increase in freight rates. The higher growth in GT volumes resulted in to higher growth in revenue during the year and the percentage of certain variable costs and certain fixed costs to the revenue have been declined due to operational synergies.

The Diesel cost as a percent to the revenue increased from 28.38% to 30.09%. We continuously monitor the diesel rates since diesel cost is major expenses for our business. In view to have a better control on Diesel cost we focused to procure more quantity of diesel from the refineries. After the reduction of Duties on diesel from November the procurement of Bio-diesel is not much viable as compared to the procurement of diesel from the refineries. Accordingly the quantity of bio diesel has been reduced. We are having our own pumps in 6 locations and another one in the pipeline to commence. These steps definitely ensure that our fuel procurement costs are way lesser than the market fuel rates.

In spite of the rising fuel prices, the company was able to compensate by controlling their other operating expenses (**as a percentage of total revenue**). Major costs such as Employee costs reduced by 2.02% from 17.15% to 15.13%, Vehicle repairs and Maintenance reduced by 0.92% from 8.08% to 7.16%, Bridge & Toll Charges reduced by 0.40% from 6.69% to 6.29%, Tyres, Flaps and Re-treading reduced by 0.08% from 2.55% to 2.47%, Rates & Taxes by 0.10% from 0.90% to 0.79%, Insurance by 0.25% from 1.17% to 0.91% , Agency Commission by 0.13% from 1.30% to 1.17%, Hamali by 0.15% from 6.20% to 6.06%, Clearing and Forwarding by 0.02% from 0.07% to 0.05%

Some major costs that increased as a percent of margin include Lorry Hire charges by 0.02% from 7.54% to 7.56%, Rental costs by 0.25% from 1.61% to 1.86%, and Claims by 0.01% from 0.09% to 0.11%.

In view of these changes the EBITDA margin improved from 16.73% to 18.84%. This clearly indicates that the Company was able to fully pass on the incremental costs to the customers in this segment despite a difficult economic situation which is an encouraging sign.

Since we are expanding our Network and also adding many new customers we expect that the volume growth will continue in the coming quarters. Further as we are having the best method of operations with our own infrastructure facilities we can have better control on key expenses such as Diesel costs etc and maintain the margins in the coming quarters.

Bus Operations

Bus operations revenue increased by 57.16% from Rs 13,033.56 lakhs to Rs 20,483.75 lakhs. Bus Operations turns EBITDA positive on the back of increased occupancy and realizations.

The increase in Revenue is due to increase in number of passengers travelled by 46.66%, Increase in realization, increase in number of trips and better seat occupation.

There was increase in number of buses from 291 to 295.

Bus operations EBITDA increased from Rs.(591.58) lacs in FY21 to Rs 1135.19 lacs in FY22. Margins increased by 10.08% from (4.54%) to 5.54%.

Operating costs decreased by 4.3% from 85.82% to 81.51%, Admin expenses by 1.95% from 2.65% to 0.70%, and Employee costs by 3.71% from 15.95% to 12.24% thereby leading to increase in margins by 10.08% from (4.54%) in FY21 to 5.54% in FY22.

Significant changes to key financial Ratios:

Particulars	As at March 31, 2022	As at March 31, 2021	Change %	Reason for more than 25% change
Current Ratio	0.65	0.68	(5.60)	-
Debt - equity Ratio	0.82	0.71	16.62	The increase in the ratio is on account of additional borrowings made by the Company to incur capital expenditure during the current year and increase in lease liabilities on account of additional premises taken on long term leases for expansion of the Company's operations.
Debt Service Coverage Ratio	1.86	1.23	50.23	The improvement in Debt Service coverage ratio is due to 1.54 times increase in EBIDA from ₹ 24,133.32 lakhs to ₹ 37,095.57 lakhs.
Return on Equity	25.64%	7.42%	245.38	The improvement in RoE is due to 3.55 times increase in PAT of the Company from ₹ 4,506.79 lakhs to ₹ 16,011.26 lakhs, with no change in equity base during the year.
Trade Receivables turnover ratio	29.29	19.55	49.85	This ratio has increased due to increase in credit sales turnover during the current year and prompt collection from credit customers.
Trade payables turnover ratio	27.36	43.20	(36.66)	This ratio has decrease due to timely payments to the vendors on account of good internal cash accruals from the operations of the Company.
Net capital turnover ratio	(25.44)	(21.54)	18.11	-
Net Profit Ratio	6.69%	2.56%	161.66	The net profit for the current year has increased due to better operating margins and increase in revenue from operations.
Return on Capital employed	30.33%	13.22%	129.49	This ratio has improved due to a 3.55 times increase in Net Profit of the company during the year from ₹ 4,506.79 lakhs to ₹ 16,011.26 lakhs with a 9.81% increase in average Capital Employed from ₹ 111,761.42 lakhs to ₹ 122,726.25 lakhs.
Return on Investment	12.14%	6.79%	78.78	This ratio has improved due to increase in principal amount and interest rates of term deposits placed during the year.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT – EMPLOYEE DATA

The total employee strength of the Company as of 31.03.2022 was 20788. Given the nature of operations, a significant portion of the said employee strength comprises of drivers, cleaners, garage mechanics and other unskilled employees.

Despite the large number of employees as also considering the widespread geographical operation of the Company, your management feels proud to state that the employer – employee relations remained extremely cordial throughout the year. There were no instances of strikes, lockouts or any other action on part of the employees that affected the functioning of the Company. It is noteworthy that there is no Employee Union / Trade Union / Union within the organization.

BUSINESS RESPONSIBILITY REPORT

This report is pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which mandates inclusion of the Business Responsibility Report (BRR) as part of the Annual Report. In compliance with the requirement, the complete Business Responsibility Report is given below. This report describes the initiatives taken by the Company on Business Responsibilities vis-à-vis the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business framed by the Ministry of Corporate affairs.

Section A: General Information about the Company

1	Corporate Identity Number:	L60210KA1983PLC005247
2	Name of the Company	VRL Logistics Limited
3	Registered Address:	RS. NO. 351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207
4	Website:	www.vrlgroup.in
5	Email-id:	investors@vrllogistics.com
6	Financial Year reported:	April 1, 2021 to March 31, 2022
7	Sector(s) that the Company is engaged in (Industrial activity code-wise) –	<ul style="list-style-type: none"> • Motorised Road Freight Transport (NIC code 49231) • Long distance Bus Services (NIC Code 49221) • Electric Power Generation using other non-convention sources (NIC Code: 35106) • Other passenger air transport (NIC Code 51109)
8	Three key products/services that the Company manufactures/provides (as in B/s) –	<ul style="list-style-type: none"> • Goods Transportation; • Passenger Bus Operation; • Power Generation through windmills
9	Total number of locations where business activity is undertaken by the Company a) Number of International b) Locations Number of National Locations -	<ul style="list-style-type: none"> • International Locations - Nil • Goods transportation services in 956 locations across India in 23 States and 4 Union Territories
10	Markets served by the Company –	We serve all the major Corporate houses, C&Fs, Wholesalers, Retailers as also individual retail customers across India

Section B: Financial Details of the Company

S No	Particulars	Details as on 31 st March 2022
1.	Paid up capital	Rs. 8834.35 lakhs
2.	Total turnover	Rs. 2,41,046.54 lakhs
3.	Total profit after tax (Total comprehensive income for the year)	Rs. 16,050.28 lakhs
4.	Total spending on corporate social responsibility (CSR) by the Company	During FY 2021-22 the Company spent an amount of Rs. 235.46 lakhs on CSR activities
5.	List of activities in which expenditure in 4 above has been incurred.	In line with the policy on CSR, majority of the CSR spend is towards Healthcare, and Education. For details refer Annexure E of the Directors' Report

Section C: Other Details

About Subsidiary – NA

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Directors responsible for implementation of the BR policy:

DIN: 00217714

Name: Dr. Vijay Sankeshwar

Designation: Chairman & Managing Director

b) Details of the BR Head:

Dr. Vijay Sankeshwar, Chairman & Managing Director, along with Audit & Risk Management committee, oversees the BR implementation. However, the Company currently does not have a BR Head.

Principles covered under the Business Responsibility Report

SI No	Description	Reference of our Policies/Comments
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	1. Vigil mechanism 2. Code of Conduct for Directors and Senior Management 3. Business Procedure Manual and Circulars issued from time to time
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	1. Quality Policy 2. Business Procedure Manual
P3	Businesses should promote the well-being of all employees	HR Policies including Employment Policy, Safety Policy and Policy for Prevention of Sexual Harassment of Women at workplace
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Corporate Social Responsibility Policy
P5	Businesses should respect and promote human rights	Employment Policies and Policy for Prevention of Sexual Harassment of Women at workplace
P6	Business should respect, protect and make efforts to restore the environment	As specific to our business, we ensure compliance with all laws related to Pollution and emissions norms. We are also pioneers in the usage of bio diesel on our vehicles
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	We have made a representation to the Ministry of Road Transport and Highways for withdrawal of GST imposing on National Permit fees for movement of inter-state movement of vehicles.
P8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	1. IT Policy 2. Quality Policy 3. Business Procedure Manual 4. Set up of a dedicated customer care wing to address the customer's complaints.

1. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

SI	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	N	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	N	N	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	Y	Y	Y	Y	Y	N	N	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director	Y	Y	Y	Y	Y	N	N	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Dr. Vijay Sankeshwar, Chairman and Managing Director, along with the Audit Committee is authorised to oversee policy implementation.								
6	Indicate the link for the policy to be viewed online? (# refer note)	Y	Y	Y	Y	Y	N	N	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders? (## refer note)	Y	Y	Y	Y	Y	N	N	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	N	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	N	N	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	N	Y	N	N	N	Y

Note:

All the Company policies are available for internal consumption to related stakeholders. However, wherever external stakeholders are involved, relevant policies are also available on company's website www.vrlgroup.in

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	refer note below	-	-	-

Note:

Our management is of the opinion that the mere absence of a documented policy alone is no reason to assume that our business is not conscious as to its environmental obligations. We have diversified more than a decade ago into Wind Power generation and ours was one of the very few projects which was approved by the Global body under United Nations Framework Convention on Climate Change (UNFCCC). We had entered into a long term contract with the Asian Development Bank (ADB) which purchased all our carbon credits (CERs) in entirety. Even during the year covered under this report, the company could monetize revenues to the tune of Rs.691.49 lakhs from the sale of CERs. We are pioneers in the Surface Transport industry to consume bio-diesel as an alternative and Green Fuel and during the financial year under this report, the consumption of the same was to the tune of 6.06% of our total consumption which demonstrates our commitment to Greenhouse Gas reduction. In fact, the company has played a vital role in environmental development and also has generated income from trading possible Green House Gas (GHG) emission reductions generated by its Windmill project in the past. The Company's Clean Development Mechanism (CDM) project is registered with the United Nations Framework Convention on Climate Change (UNFCCC) and necessary approvals for the trade of carbon credits have been procured. As on date, the Company has a tradable balance of Certified Emission Reductions (CERs) of 11,563 units which has been duly certified.

We wish to submit that we are in full compliance with all the environmental laws applicable to us. In fact, our waste treatment and disposal as also our rain water harvesting efforts at Hubballi have resulted in our increasing the water table at the location where our centralized vehicle maintenance facility is located. We are one of the few organized transporters who have also consciously ensured that our bigger transshipment yards are provided with battery operated forklifts instead of diesel based ones. This ensures better well-being of our workforce situated there as also reduces pollution.

We have also commenced the commercial application of electric vehicles for effecting local deliveries and pick-ups and have added 19 new Electric vehicles to our operation. Gradually we would be deploying more and more of such vehicles in the days to come.

As regards Liaison, we are a part of nearly all the important industry bodies and play a pro-active role in highlighting and taking up matters for betterment of our surface transport industry verticals.

1. Governance related to BR:

- a) The Governance related to BR is being reviewed periodically by the Chairman and Managing Director.
Frequency –Annual
- b) A copy of the report will also be made available at www.vrlgroup.in

Section E: Principle wise performance

P. No.	Description	Response
Principle 1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability		
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/JointVentures/Suppliers/Contractors/NGOs/Others?	We are committed to observing good corporate governance practices. Our policy on Code of Ethics and Business Code which is applicable to all employees and Directors to guide them to conduct business in an ethical, responsible and transparent manner. Presently, we have not covered outsiders such as Contractors / Suppliers etc. and would do so in due course. Our policy lays down the conduct expectations for our employees while dealing with the outside world. We do not propose to include outsiders under our policy for the time being.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints in this regard were received during the year.
Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.		
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	We are engaged in providing logistics solutions and none of our business operations have any inherent design capable of adversely impacting society or environment. In fact we are proactive and continuously strive to implement energy efficient equipments, non-conventional energy sources and alternate non-polluting fuel, usage of electric forklifts for material handling, usage of e- autos etc.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	NA

2.3	<p>Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <p>If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>We have set up a robust sourcing procedure. Our procurement and commercial policies include several parameters based on which suppliers are evaluated and selected for supplying various materials. It is pertinent to note here that our relationships with vendors are long term in nature. Major Commercial vehicle manufacturers like Ashok Leyland and Volvo Eicher have set up their own stores in our vehicle maintenance premises. Periodic supplier evaluation is being undertaken. During the year, our entire procurement was nearly sourced from domestic vendors.</p>
2.4	<p>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>As indicated nearly 100% of our procurement is indigenous. We encourage local industrial units in sourcing our vehicle maintenance related procurements.</p>
2.5	<p>Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>We do not generate significant waste as our operations are scattered across the country. It is pertinent here to however state that our centralized vehicle maintenance facility at Varur, Hubballi, has a suitable discharge treatment mechanism. All our major hubs and facilities have proper discharge treatment systems in place.</p>

Principle 3 - Businesses should promote the well-being of all employees

VRL employs 20,788 individuals across India. We belong to the surface transportation industry which is highly un-organized in India and majority of the workforce comprises of semi-skilled and unskilled employees. Contrary to general industry practice, we however ensure that our employees are extended all Statutory benefits such as PF, ESI and group insurance coverage for select employee category. We ensure that our work timings are reasonable and provides a proper work-life equilibrium. Barring the driver cadre, our attrition rates are the lowest in our industry and most of our middle and senior management staff are with the Company since decades.

3.1	Please indicate the total number of employees	We had 20,788 employees as of March 31, 2022
3.2	Please indicate the total number of employees hired on contractual/ casual basis	We do not hire individuals on contract basis
3.3	Please indicate the total Number of permanent women employees.	255
3.4	Please indicate the number of permanent employees with disabilities	3
3.5	Do you have an employee association that is recognized by management?	We do not have any employee union in our Company
3.6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<p>There were no instances of any child labor, forced / involuntary labour, discriminatory employment during the year.</p> <p>No Sexual Harassment complaints were received during the year.</p>
3.8	<p>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?</p> <p>Learning and Development (L&D)</p>	<p>Training relating to safety and skill is extended to drivers and maintenance staff. Individual employees based on their performance are identified and trained on need basis. Majority of our training is on-the-job and spontaneous / need based and as such it is not possible to maintain a quantitative record thereof.</p>

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

4.1	Has the company mapped its internal and external stakeholders? Yes/No	We have identified our stakeholders, both internal as well as external, who directly or indirectly influence our business. Our key stakeholders include Employees, Customers, Shareholders, Suppliers, Bankers, Government Regulators and Local communities.
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	We opine that we cannot have a general classification whereby we consider one / several of the above stakeholder category to be 'vulnerable'. However among the above, within the stakeholder category of Local community we have identified the lack of health awareness as also dearth of good educational facilities at select locations and we try to do our bit as Staff Welfare measures as also contribute to activities under CSR predominantly relating to Healthcare, Sports and Education towards a betterment of the local populace.
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	We have identified healthcare, sports and education as it key focus areas and works towards a betterment of the local populace. Apart from the same we have also participated in limb replacement camps, health awareness camps, contribution to select deserving schools and hospitals etc. during the year. For more details, please refer "Corporate Social Responsibility" section of Director's Report of the Annual Report.

Principle 5 - Businesses should respect and promote human rights

5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers /Contractors /NGOs/ Others?	Our policies cover only our employees and do not extend to external stakeholders. Also the very basic culture of our organization is based on extending respect to all concerned, especially when we deal with lakhs of bus passengers travelling on our buses, dealing with thousands of customers on a daily basis as also engaging the services of outside vehicles requiring extensive engagement with external drivers and a diverse workforce.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We were not in receipt of any complaints which can be covered under the ambit of human rights during the year.

Principle 6 - Business should respect, protect and make efforts to restore the environment

6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures /Suppliers /Contractors /NGOs/ others.	We do not have a documented environment policy. The norms applicable to commercial vehicles w.r.t. pollution are ever changing and we have proactively commenced the scrapping of 15 years old vehicles. We wish to also emphatically submit that we are in full compliance with all the environmental laws applicable to us.
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6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	<p>As indicated we do not have a documented policy and resultant any documented literature enumerating our strategies on that front.</p> <p>We would however like to state that the lack of a documented policy does not mean that we do not appreciate the importance of the issues relating to environment. We are very environment cautious and wish to state as under</p> <ul style="list-style-type: none"> - We have successfully adopted the Scrappage Policy for retirement of our old vehicles. - We have increased number of e-vehicles such as local auto rickshaw, delivery van, forklifts etc., - We have installed a wind farm with a present day capacity of 40 MW and the said project has due recognition under the United Nations Framework on Climate Change Convention – We are eligible for carbon credits and have earned significant revenue from the sale of such units during the current fiscal as well in the past -All our vehicles are in compliance with the emission norms - We ensure good quality of fuel and reduce emissions and wastages by usage of additives as well - We encourage and use alternative fuel such as bio-fuel – in fact we believe that we are the pioneers in the usage of this fuel for commercial vehicles - We have increased the installed solar panels for electricity in most of our bigger branches and transshipment hubs. - We are gradually phasing out our diesel forklifts and replacing the same with battery operated forklifts in our warehouses which do not pollute at all <p>The above list is not exhaustive and above are a few of the initiatives implemented by us as an environment conscious entity.</p>
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes we do and also initiate remedial measures a few of which are listed above
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	<p>We have installed a wind farm with a capacity of 40 MW at Kappatgudda in Gadag district of Karnataka</p> <ul style="list-style-type: none"> - The said project was one among the very few projects which got due recognition under the United Nations Framework on Climate Change Convention - We are eligible for carbon credits and have earned significant revenue from the sale of such units in the current fiscal as well in the past
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Please refer para 6.2 above.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	We are in compliance with the applicable regulatory requirements in relation to emissions / waste generation
6.7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	During the year the Company did not receive any such notice.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	We are a member of the below – - All Indian Motor Transport Congress (AIMTC) the nodal body of surface logistics players in the country. We are members of the State Level Goods Transport Associations` - Members of the Federation of Karnataka of Chamber of Commerce and Industry(FKCCI) - Approved Logistics Service Provider of the Indian Banks Association -Members of International Air Transport Association (IATA) - Members of the Bus Operators Confederation of India (BOCI) etc. - Member of the Karnataka Tourist Bus Operators Association
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	We have participated in the various forums of the above organizations and actively take up matters which we consider as industry grievances.

Principle 8 – Businesses should support inclusive growth and equitable development

8.1	Does the company have specified programmes /initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Our CSR initiatives are based on the principle of making enduring impact through programs that promote social and economic inclusion. We strongly believe that we can sustain in the society only if it is not deprived of good health and sound education. We promote and participate in projects related to healthcare, health awareness, yoga, educations, sports facilities etc. with due consideration to the underprivileged and marginalized sections of the local community. For more details, please refer “Corporate Social Responsibility” section of Director’s Report of this Annual Report.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	Our CSR initiatives are being carried out directly by us as also by way of direct participation / contribution to projects deemed deserving.
8.3	Have you done any impact assessment of your initiative?	We have not specifically conducted an impact assessment but wish to acknowledge the tremendous positive feedback received on our initiatives
8.4	What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	During FY 2021-22, our Company spent an amount of Rs.235.46 lakhs towards its CSR initiatives. For more details, please refer “Corporate Social Responsibility” section of Director’s Report.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	We have taken steps to ensure that our initiatives are successfully adopted by the community. We undertake a thorough study prior to committing ourselves. We ensure that our diligence is comprehensive enough to warrant a commitment. Our executives are also selectively attached to different initiatives and they too spend sufficient time and oversee the implementation of our initiatives.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	2.21% of the customer complaints remained pending as on 31st March 2022. Also a total of 49 Consumer Forum cases are pending in relevant District / State Consumer forums
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes /No /N.A. /Remarks (additional information)	Not applicable.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No cases relating to Unfair Trade Practice, Irresponsible advertising or anti-competitive behavior were filed that remain pending as of the end of the financial year. We have already stated the total consumer cases pending in 9.1 above.
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	We regularly interact with our customers to get their feedback on our services and deliverables. We have not carried out any specific consumer survey though. We have dedicated 24/7 customer care set up for our goods as well as passenger business.

REPORT ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance. Transparency, integrity, professionalism and accountability based values form the basis of the Company's philosophy for Corporate Governance and the continued application of these principles to the business practices has led to the growth of the Company over the years. The Company believes that corporate governance is beyond financial results and is a pre-requisite to the attainment of excellent performance in terms of stakeholders' long term value creation. The Company believes Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's brand and reputation. Hence, it is imperative to establish, adopt and follow best corporate governance practices, thereby facilitating effective management and carrying out our business by setting principles, benchmarks and systems to be followed by the Board of Directors (the "Board"), Management and all Employees in their dealings with Customers, Stakeholders and Society at large.

The objective of the Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance but also to improve on these aspects on an ongoing basis with a continuous attempt to innovate in adoption of best business practices for value creation. The Company believes that good Corporate Governance is a continuous improvement seeking process and strives to further improve the Corporate Governance practices to meet the expectations of all the stakeholders.

We detail hereunder the Company's compliance with Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"):

I) Board of Directors

The Board is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

(a) Composition of the Board

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which stipulates that the Board should have optimum combination of executive and non-executive directors with at least one Independent woman director and at least 50% of the Board should consist of independent directors, as the Chairman of our Board is an executive director.

As on March 31, 2022, the Board comprised of twelve Directors. Out of these, four are Executive Directors - Chairman & Managing Director, Managing Director who are also the Promoters of the Company and, by virtue of the Company's Articles of Association not liable to retire by rotation, and two other Whole-time directors who are liable to retire by rotation.

Of the eight Non-Executive Directors, six are Independent Directors (IDs). The Company has appointed two Independent Woman Directors. The Directors possess the requisite qualifications, expertise and experience in general corporate management, finance, banking, academics, law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

None of the Directors of the Company are related to each other except Dr. Vijay Sankeshwar, Chairman & Managing Director (CMD) and Dr. Anand Sankeshwar, Managing Director (MD) who are related to each other.

The Company has issued a formal appointment letter to the IDs, as required under Section 149 of the Companies Act, 2013 read with schedule IV of the Companies Act, 2013. The terms and conditions of appointment of IDs is available on the Company's website www.vrlgroup.in.

(b) Number of Board Meetings

The Board of Directors met five times during the financial year 2021-22. The meetings were held on June 12, 2021, August 7, 2021, October 11, 2021, November 01, 2021 and February 02, 2022. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days/ extended timeline permitted under statute.

(c) Directors' attendance record and details of Directorships/Committee Positions held

In terms of SEBI Listing Regulations, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director.

Further, none of the Directors of the Company serve as Independent Director in more than seven listed companies.

Table 1 provides the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them.

Table 1: Details of the Directors as on March 31, 2022

Name of the Director	Category	Number of Board meetings		Meetings held during tenure as Director	Whether attended last AGM	Number of Directorships of other public companies @	Committee Positions #	
		Held	Attended*				Chairman	Member
Dr.Vijay Sankeshwar (DIN:00217714)	Chairman and Managing Director	5	4	5	Yes	-	-	-
Dr. Anand Sankeshwar (DIN:00217773)	Managing Director	5	4	5	Yes	-	-	-
Mr. K. N. Umesh (DIN:02602595)	Whole-time director	5	5	5	Yes	-	-	-
Mr. L R Bhat (DIN:01875068)	Whole-time director	5	5	5	Yes	-	-	-
Dr.Prabhakar Kore (DIN:00509836)	Independent Director	5	5	5	No	1	-	2
Mr. Shankarasa Ladwa (DIN:06964188)	Independent Director	5	4	5	Yes	-	2	2
Mrs. Medha Pawar (DIN:06921510)	Independent Director	5	5	5	Yes	-	-	2
Dr.Anand Pandurangi (DIN:07038691)	Independent Director	5	5	5	Yes	-	-	-
Mr. Gurudas Narekuli (DIN:07950458)	Independent Director	5	5	5	Yes	-	-	1
Mrs.Smriti Bellad (DIN: 06732781)	Independent Director	5	3	5	No	-	-	-
Dr. Ashok Shettar (DIN:07038714)	Non-Executive Director	5	5	5	Yes	-	-	-
Dr.Raghottam Akamanchi (DIN:07038738)	Non-Executive Director	5	4	5	Yes	-	-	1

* At the Board Meeting and other Committee's meetings held on 12th June, 2021, Mr. Shankarasa Ladwa, Mr. K.N. Umesh, Mr. Prabhakar Kore, Mrs. Medha Pawar, Dr. Anand Pandurangi, Mrs. Smriti Bellad Dr. Ashok Shettar and Dr. Raghottam Akamanchi participated through video conferencing due to travel restriction imposed on account of pandemic in the state of Karnataka.

@ Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other public companies has been considered.

Note: None of the Directors are on the Board of any other listed entity.

(d) Information to the Board

Detailed agenda and related papers are sent to each Director in advance prior to the Board and Committee Meetings. As a policy, all decisions involving major investments and major capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Inter-alia, as a matter of policy, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers.

- Annual operating plans, budgets and updates thereon.
- Capital budgets and any updates thereon.
- Quarterly, Half yearly and Annual results of the Company and its operating divisions or business segments

upon related audit / limited review completion – circulated at the meetings as the information contained herein is unpublished price sensitive information.

- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Materially important show cause notices, demand notices, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences and any other material adverse developments.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients/customers.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Significant development in human resources or on the industrial relations front such as signing of wage agreement, etc.
- Sale of Investments, Subsidiaries, assets which are material in nature, and/or of assets which are not in the normal course of business.
- Compliance of regulatory and statutory requirements.
- Related Party Transactions though all transactions with related parties are at arm's length basis, for approval.
- Declaration by Independent Directors at the time of Appointment/Annually.
- Disclosure of Directors' interest and their shareholdings.
- Appointment or removal of the Key Managerial Personnel.
- Appointment of Internal Auditors and Secretarial Auditors.
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors.
- Declaration of Dividend.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls.
- External regulatory and policy changes that have a potential to adversely affect the Company.

The Committee of the Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any.

(e) Disclosure of relationships between directors inter-se

Dr. Vijay Sankeshwar and Dr. Anand Sankeshwar are related to each other. Dr. Vijay Sankeshwar is father of Dr. Anand Sankeshwar. Except this relationship, none of the other Directors are related to each other in any manner.

(f) Shareholding of Non-Executive Directors

As on March 31, 2022, none of the non-executive directors of the Company held any shares or convertible instruments in the Company.

(g) Details of Familiarization Programmes imparted to Independent Directors

Regulation 25(7) of SEBI Listing Regulations stipulates that the Company shall familiarize the independent directors with the Company, their roles, rights, responsibilities, nature of the industry etc., through various programmes. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function and business strategy of the Company. The details of familiarization programmes held for directors can be accessed through the following link.

http://vrlgroup.in/investor_download/Familiarisation%20Programme%20for%20Independent%20Directors.pdf

(h) Skills, Expertise and Competencies of the Board

The list of core skills / expertise / competencies, identified by the Board of Directors, as required in the context of its business and sector for it to function effectively and those actually available with the Board are summarized below. All the individuals comprising the Board of the Company are eminent personalities and are people of repute and standing in their individual core sectors / fields. The Company draws upon certain skills, the tabular

capturing of which is attempted herein below:

Core skills / expertise identified by the Board as requirement for the Company													
Name of the Directors	Logistics experience	Business Operations & Mgmt.	Information Technology	Business Development	Resource mobilisation & optimisation	Risk Management	Business Strategy	Corporate Governance	Liaisoning	Finance & Accounts	Legal expertise	Ethics	Human Resource Management
Dr. Vijay Sankeshwar	√	√		√	√	√	√	√	√	√		√	√
Dr. Anand Sankeshwar	√	√		√	√	√	√	√	√	√		√	√
Mr. K. N. Umesh	√	√		√	√	√	√	√	√	√		√	√
Mr. L R Bhat	√	√	√	√	√	√	√	√				√	
Dr. Prabhakar Kore	√	√		√	√	√	√	√	√		√	√	
Mrs. Medha Pawar			√			√		√		√	√	√	
Dr. Anand Pandurangi		√			√		√	√	√		√	√	√
Dr. Raghottam Akamanchi			√		√			√	√		√	√	√
Dr. Ashok Shettar		√	√	√	√		√	√				√	
Mr. Shankarasa Ladwa			√	√		√	√	√		√	√	√	
Mrs. Smriti Bellad		√	√	√	√	√	√	√	√	√		√	
Mr. Gurudas Narekuli		√		√	√	√	√	√		√		√	

(i) Confirmation on Independent Directors

The Board based on the disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the conditions of Independence as specified in SEBI Listing Regulations and are independent of the Management of the Company for the year ended March 31, 2022.

(j) Resignation of Independent Directors

During the year, none of the Directors resigned from the Board of Directors.

(k) Remuneration to Directors

Directors with pecuniary relationship or business transactions with the Company

The CMD, the MD and Whole time directors of the Company receive Salary, Perquisites, Allowances, Commission on net profits and other benefits as stated in the agreements entered into between the Company and CMD/MD/ Whole time directors as the case may be, while all the Non-Executive Directors receive Sitting Fees. It is to be noted that the transactions with other entities where CMD/MD/Whole time Directors are interested are being carried out at an arm's length and in compliance with the laws applicable thereto. There are no pecuniary transactions/relationships of the Company with Non-Executive Directors except sitting fees and reimbursement of expenses for attending meetings.

Criteria of making payments to Non-Executive Directors

The Non-Executive/Independent Directors of the Company bring with them significant professional expertise and rich experience across the wide spectrum of functional areas such as marketing, legal, finance and other corporate functions.

The Non-Executive and Independent directors are paid sitting fees for attending Board and Committee meetings and expenditure incurred for such attendance is reimbursed. No other fee or remuneration is being paid to them.

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including CMD and MD is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective agreements entered into between them and the Company as approved by the shareholders at the general meeting.

During the year, no stock options were granted to any Executive / Non-executive Director of the Company. Also, the Company did not advance any loan to any of its Directors during the year.

Any annual pay, variable pay or incentives payable to Executive Directors is approved by the Board based on recommendation from Nomination and Remuneration Committee.

Mrs. Vani Sankeshwar, President of the Company is the wife of Dr. Anand Sankeshwar, Managing Director of the Company. The gross remuneration paid to her for the year ended 31st March 2022 was Rs18.00 lakhs which is within the statutory limits and also approved by the Board of Directors.

Table 2 below gives the details of remuneration paid to Directors for the year ended 31st March 2022.

Table 2: Remuneration paid to Directors (₹ in lakhs unless otherwise stated)

Name of the Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Dr. Vijay Sankeshwar	324.00	110.00	-	434.00
Dr. Anand Sankeshwar	300.00	-	-	300.00
Mr. K. N. Umesh	144.04	-	-	144.04
Mr. L R Bhat	144.04	-	-	144.04
Dr. Prabhakar Kore	-	-	1.20	1.20
Mr. Shankarasa Ladwa	-	-	2.25	2.25
Mr. Gurudas Narekuli	-	-	1.50	1.50
Mrs. Medha Pawar	-	-	2.85	2.85
Dr. Anand Pandurangi	-	-	1.05	1.05
Dr. Raghottam Akamanchi	-	-	1.65	1.65
Dr. Ashok Shettar	-	-	1.05	1.05
Mrs. Smriti Bellad	-	-	0.45	0.45
Total	912.08	110.00	12.00	1034.08

Service Contracts, Notice Period and Severance fees:

As at 31st March 2022, the Board comprised of twelve directors including four executive directors, two non-executive directors and six independent directors. The Company has entered into agreements with Dr. Vijay Sankeshwar, Chairman and Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K. N. Umesh, Whole time Director and Mr. L. R. Bhat, Whole time Director which inter-alia stipulate a three months' notice period to vacate their respective office held. There is no provision for payment of severance fees. The other Non-Executive Directors and Independent Directors are not subject to any specific requirement of notice period and severance fees.

(I) Code of Conduct

The Board of Directors has laid down a Code of Conduct (Code) for the Directors and designated / specified employees of the Company. The Code has been posted on the Company's website and can be accessed at http://www.vrlgroup.in/investor_download/Code_of_Conduct.pdf. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them. A declaration to this effect signed by Dr. Vijay Sankeshwar, Chairman and Managing Director is annexed to this Report.

II) Board Committees

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its charter and has well defined terms of reference which outline the scope, role, responsibilities and powers of the Committee. All the decisions and recommendations of the Committee are placed before the Board for its approval. The various board committees are as under -

- Audit Committee;
- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee;
- Nomination and Remuneration Committee;
- Administration Committee;
- Finance Committee;
- Risk Management Committee

* Board at its meeting held on August 07, 2021 dissolved the Buyback Committee which was formed for the specific purpose of buy back of equity shares of the company.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings are provided below.

(a) Audit Committee

The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company, oversight of your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board.

As on 31st March 2022, the Audit Committee comprised of three Directors. viz Mr. Shankarasa Ladwa (Chairman), Mr. Gurudas Narekuli and Mrs. Medha Pawar. All members of the Audit Committee are independent directors who cumulatively, possess accounting, financial, taxation, management and legal knowledge.

The Senior Management team comprising of Executive Directors, Chief Financial Officer and Vice-President (Accounts), as also Internal Auditors, Secretarial Auditor and the Statutory Auditors were invited for all meetings of the Audit Committee. Mr. Aniruddha Phadnavis, Company Secretary is the Secretary to this Committee.

The Audit Committee met five times during the year 2021-22, viz June 12, 2021, August 7, 2021, October 11, 2021, November 01, 2021 and February 02, 2022. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days except the meeting held on June 12, 2021 due to ongoing pandemic situation, lockdown imposing the restriction on movement of individuals. The same was however permissible owing to extension permitted by the regulators vide notification.

The Minutes of the meetings of the Committee were noted by the Board. The Board accepted all recommendations made by the Audit Committee during the year. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table 3.

Table 3: Details of the Audit Committee

(₹ in lakhs unless otherwise stated)

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	5	4	0.60
Mr. Gurudas Narekuli	Independent Director	Member	5	5	0.75
Mrs. Medha Pawar	Independent Director	Member	5	5	0.75

Mr. Shankarasa Ladwa, Chairman of the Audit Committee was present at the 38th Annual General Meeting of the Company held on August 7, 2021 to answer shareholders queries.

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of SEBI Listing Regulations and Section 177(1) of the Companies Act, 2013. Powers of the Committee and its terms of reference are as under:

Powers of the Audit Committee

The Audit Committee powers include

1. To investigate any activity within its terms of reference.
2. To seek information from any employee
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements/information are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement as part of Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates, based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements/financial results before submission to the Board for approval;
6. Reviewing, with the management, the statement of usage / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up necessary steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval of transactions including any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, wherever applicable;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Reviewing the utilization of loans and/ or advances from/investment by the Company, if any.

Review of Information by the Audit Committee

1. Management Discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
4. Review of the Compliance Report in respect of related laws as applicable to the Company;
5. Internal audit reports relating to internal control weaknesses;
6. The appointment, removal and terms of remuneration of Internal Auditors; and
7. Statements of deviations, if any.

The Company's internal audit department enables the Management to mitigate the risks and prevent non-compliance of laws which would affect the financial position of the Company. The scope and authority of the Internal Audit function is well defined and to maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board as well as directly to the Chairman and Managing Director of the Company. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the internal audit reports issued from time to time, the management undertakes corrective actions in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee.

The Company continuously invests in strengthening its internal control and processes. The Internal Auditor attend the Meetings of the Audit Committee and submit their recommendations to the Audit Committee which after due deliberations provide a road map for the future.

(b) Nomination and Remuneration Committee

In terms of Section 178 of the Companies Act, 2013 and Reg. 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee is constituted. As on March 31, 2022, the Committee comprises of four Directors wherein three are Independent Directors and one is Non-Executive Director. They are Mr. Shankarasa Ladwa (Chairman), Mrs. Medha Pawar, Dr. Anand Pandurangi and Dr. Ashok Shettar.

Mr. Shankarasa Ladwa, Chairman of the Nomination and Remuneration Committee was present at the 38th Annual General Meeting of the Company held on August 07, 2021 to answer shareholder queries.

This Committee met two times during the financial year 2021-22 i.e. June 12, 2021 and November 01, 2021.

Mr. Aniruddha Phadnavis, Company Secretary is acts as the Secretary to the committee.

The details of the composition of the Committee, meetings held, attendance at the meeting along with sitting fees paid, are given in Table 4.

Table 4: Details of the Nomination and Remuneration Committee

(₹ in lakhs unless otherwise stated)

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	2	2	0.30
Dr. Anand Pandurangi	Independent Director	Member	2	2	0.30
Dr. Ashok Shettar	Non-Executive Director	Member	2	2	0.30
Mrs. Medha Pawar	Independent Director	Member	2	2	0.30

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- To formulate criteria for determining qualifications, positive attributes and independence of Directors.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and individuals who may be appointed in Senior Management positions in accordance with the criteria laid down by the Committee.
- To carry out evaluation of every Director's performance.
- To recommend to the Board, the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as mandated by the Board from time to time and/or as required under any statutory notification, amendment or modification, as may be applicable.
- To determine the extension or continuation of term of Independent Directors on the basis of the report of their performance evaluation.
- To perform such other functions as may be necessary or appropriate for the performance of such duties.

The committee also works with the Board on the Leadership Succession Plan and prepares Contingency Plans for succession in case of any exigencies.

Board evaluation and criteria for evaluation of performance of independent directors

Pursuant to Section 134 of the Companies Act, 2013, the Board is responsible for an annual evaluation of its own performance as also the performance of its committees & Individual Directors as also its Chairperson. Further, under Regulation 17 of SEBI Listing Regulations, performance evaluation of the Independent Directors shall be done by the Board of Directors, excluding directors being evaluated. During the year, Board in concurrence with Nomination and Remuneration Committee has laid down the evaluation criteria for itself, its Committees, Chairperson, Executive and Non-Executive Directors and Independent Directors.

The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board and its committees. The Board in consultation with Nomination and Remuneration Committee has laid down varying criteria to be adopted in the evaluation of different directors. Suitable mechanism also exists to ensure that the concerned individual is given due feedback to help him/her appreciate the aspects considered important by other co-directors.

The following parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of the Company;
- Interpersonal relationships with other directors and Management.

The following parameters were considered to evaluate the performance of the Board and Committees:

- Size and structure of the Board/Committees;
- Board diversity with respect to Background / experience / competence / gender / etc.
- Review of strategies, risk assessment, robustness of policies and procedures as also organizational culture by the Board;
- Review of the financial reporting process & monitoring Company's internal control system with a special focus on internal controls in relation to financial reporting;
- A review of the overall quality of Board meetings in terms of frequency, notice, agenda circulation, sufficiency

of time for meaningful deliberations and quality of discussions;

- Review of flow of information to the Board members, Comprehensive coverage of matters in the agenda papers, conduct of meeting, etc.;
- Effective discharge of functions by the Committee vis-a-vis their terms of reference;
- Appropriateness and timeliness of reports relating to compliance with laws and regulations as are applicable to the Company;
- Review of engagement with senior management team by the Committees and the Board;
- Existence of a mechanism to address potential conflict of interest, appointment / retirement / grievance redressal and remuneration of Board members;
- Review of the time spent by the Board on policy and strategy issues and action plans.

The duly completed structured questionnaire was collected from the individual directors. The feedback received on evaluation process was accumulated and there was an unanimous conclusion whereby the Directors recognized that the Board and its Committees were functioning effectively and acknowledged the efforts and contributions made by the Chairperson, Managing Director, Executive Directors, Non-Executive Directors and Independent Directors towards the Board's functioning.

The Board also acknowledged the efforts put in by the Executive, Non-executive and Independent Directors and on the basis of the above parameters concluded that its overall functioning as also the functioning of its committees is effective. Feedback on performance of individual directors was provided to them and the same was also accepted as satisfactory. The performance of the Chairperson was found to be very effective.

Nomination and Remuneration Policy

Remuneration paid / payable to Key Managerial Personnel (KMP) and Senior Managerial Personnel of the Company is approved by the Board on the recommendation of the Nomination and Remuneration Committee. Board has adopted a policy for Nomination and Remuneration of Directors/ KMPs and Senior Managerial Personnel forming part of the Annual Report which can be accessed at the following link:

http://www.vrlgroup.in/investor_download/Nomination_Remuneration%20Policy.pdf

(c) Stakeholders' Relationship Committee

In terms of Reg. 20 of the SEBI Listing Regulations, the Stakeholders Relationship Committee is constituted to look into various aspects of interest of shareholders of the Company.

As on 31st March 2022, this Committee comprised of three Directors viz. Mr. Shankarasa Ladwa(Chairman), Mrs. Medha Pawar and Dr. Raghottam Akamanchi. Mr. Aniruddha Phadnavis, Company Secretary of the Company acts as Secretary to the Committee also.

The Committee comprises of two Independent Directors and one Non-Executive Director. The Chairman of the Committee is an independent director. This Committee met 4 times during the financial year 2021-22 i.e. on June 12, 2021, August 07, 2021, November 01, 2021 and February 02, 2022.

Mr. Shankarasa Ladwa, Chairman of the Stakeholders Relationship Committee was present at the 38th Annual General Meeting of the Company held on August 07, 2021 to answer shareholder queries.

The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table 5.

Table 5: Details of the Stakeholders' Relationship Committee

(₹ in lakhs unless otherwise stated)

Name of the member	Category	Position	Number of meetings held during their tenure	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	4	3	0.45
Mr. Medha Pawar	Independent Director	Member	4	4	0.60
Dr. Raghottam Akamanchi	Non-Executive Director	Member	4	4	0.60

The terms of reference of the Committee are as follows:

- To supervise and ensure efficient share transfers, share transmission, transposition etc.;
- To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate share certificates for equity shares of the Company;
- To redress shareholders' complaints like non-receipt of balance sheet, non-receipt of declared dividends etc.;
- To review service standards and investor service initiatives undertaken by the Company;
- To place before the Board meeting, a quarterly report giving details such as number of complaints received, resolved, pending during the quarter;
- To report immediately to the Board, specific grievance raised by the shareholders/investors which could not be resolved by the committee and which need immediate attention;
- To address all matters pertaining to Registrar and Transfer Agent including appointment of new Registrar and Transfer Agent in place of existing one;
- To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith; and
- To attend to any other responsibility as may be entrusted by the Board or investigate any activity within terms of its reference.

Details of Shareholders' complaints

Details of complaints received, resolved and pending as on 31st March 2022 are as under:

Table 5A – Details of Shareholders' complaints received, resolved and pending during the year 2021-22

Pending as on April 1, 2021	Complaints Received during the year	Complaints Resolved during the year	Pending as on March 31, 2022
Nil	41	41	Nil

d) Corporate Social Responsibility (CSR) Committee

In terms of section 135 of the Companies Act, 2013, The Corporate Social Responsibility (CSR) Committee is constitute to formulate and recommend the Board a Corporate Social Responsibility Policy indicating the activities to be undertaking within the preview of schedule VII of the Companies Act, 2013.

As on 31st March 31, 2022, CSR Committee comprises of five directors with combination of Executive Director, Independent Directors and Non Independent Directors viz. Dr. Vijay Sankeshwar (Chairman), Dr. Prabhakar Kore, Dr. Anand Sankeshwar, Mrs. Medha Pawar and Dr. Raghottam Akamanchi.

The terms of reference of the Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company within the ambit of Schedule VII of the Companies Act, 2013. This also includes a review of the said policy on periodic basis considering any changes on the regulatory front, as applicable from time to time;
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy;

- Monitor the CSR Policy of the Company and its implementation from time to time;
- Such other functions as the Board may deem fit.

During 2021-22, the Committee met 3 times i.e. on June 12, 2021, November 01, 2021 and February 02, 2022.

The details of the composition of the Committee, meeting held and attendance at the meeting along with sitting fees paid are given in Table 6.

Table 6: Details of the Corporate Social Responsibility Committee

(₹ in lakhs unless otherwise stated)

Name of the Member	Category	Position	Number of Meetings held during tenure	Number of Meetings attended	Sitting fees
Dr. Vijay Sankeshwar	Executive Director	Chairman	3	3	-
Dr. Prabhakar Kore	Independent Director	Member	3	3	0.45
Dr. Anand Sankeshwar	Executive Director	Member	3	3	-
Dr. Raghottam Akamanchi	Non-Executive Director	Member	3	3	0.45
Mrs. Medha Pawar	Independent Director	Member	3	3	0.45

More details on CSR spend by the Company is provided in the Annual report in the section on CSR activities, which forms part of Directors' Report.

CSR Policy of the Company can be accessed at the following link:

http://vrlgroup.in/investor_download/CSR%20POLICY.pdf

e) Risk Management Committee

The Risk Management Committee is constituted in accordance with Regulation 21 of the SEBI Listing Regulations, 2015.

As on 31st March 2022, the said Committee comprises of seven members viz., Dr. Vijay Sankeshwar (Chairman), Mr. Shankarasa Ladwa, Independent Director, Mrs. Medha Pawar, Independent Director, Mr. K. N. Umesh, Executive Director, Mr. L R Bhat, Executive Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Raghavendra Malgi, Vice President (Accounts).

Terms of Reference:

- Identify and review the critical risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner;
- Review the Company's risk appetite and tolerance limit;
- Review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annually review the overall risk management framework with respect to risk assessment and management;
- Review and assess the effectiveness of the company-wide risk assessment processes;
- To perform such functions as may be delegated by the Board and/or are prescribed under Companies Act, 2013, SEBI Listing Regulations and any other applicable laws from time to time.

During 2021-22, the Committee met three times i.e. on June 12, 2021, November 01, 2021 and February 2, 2022.

The details of the composition of the Committee, meeting held and attendance at the meeting along with sitting fees paid are given in Table 7.

Table 7: Details of the Risk Management Committee

(₹ in lakhs unless otherwise stated)

Name of the Member	Category	Position	Number of Meetings held during tenure	Number of Meetings attended	Sitting fees
Dr. Vijay Sankeshwar	Executive Director	Chairman	3	3	-
Mr. K. N. Umesh	Executive Director	Member	3	3	-
Mr. L.R. Bhat	Executive Director	Member	3	3	-
Mr. Shankarasa Ladwa	Independent Director	Member	3	2	0.30
Mr. Sunil Nalavadi	Chief Financial Officer	Member	3	3	-
Mr. Raghavendra Malgi	Vice President (Accounts)	Member	3	3	-
Mrs. Medha Pawar*	Independent Director	Member	-	-	-

*Mrs. Medha Pawar has been appointed as a member of the Risk Management committee at the Board Meeting held on 2nd February 2022.

Risk Management Policy of the Company can be accessed at the following link:

https://www.vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf

f) Administration Committee

The Administration Committee has been constituted by the Board primarily to delegate powers such as authorizing persons to appear before court of law / tribunal, enter into lease / leave and license agreements and to do other things on behalf of the Company other routine. The said committee comprises of four members viz. Dr. Vijay Sankeshwar, Chairman, Dr. Anand Sankeshwar, Dr. Raghottam Akamanchi and Mrs. Medha Pawar.

Functions of the Administration Committee/authority delegated by the Committee include the following.

A) Granting Authorization to Individuals:

- To execute, for and on behalf of the Company, lease / leave and license agreements, applications, deeds, documents and any other writings in connection with the business of the Company;
- To enter into any contract binding on the Company and on behalf of the Company;
- To represent the Company before any Court, Tribunal, Consumer Redressal Forum or any Statutory or other Authority on any matter relating to the operations of the Company or with which the Company is in any way connected or concerned or to represent the Company generally or for any specific purpose or purposes;
- To sign, submit all statutory forms, applications, declarations, notices, returns, statements, certificates and all such other documents as may be required by the appropriate authorities and to collect all statutory forms and papers from the appropriate authorities;
- To receive summons, notices etc. and to sign, submit and verify various statements, applications, affidavits, declarations, undertakings, Forms, Returns and other requisite documents whatsoever and file them in any Court, Tribunal or any government authority;
- To engage Advocates, Tax Practitioners and to sign Vakalatnamas;
- To collect all types of statutory forms, any papers, cheques, drafts etc. from any person, bank or any State / Central Government Authority;
- To apply for registration/ license of/for the Company with/from various authorities of any state or Centre including but not limited to Municipal Authorities, Provident Fund Authorities, Pollution Control Board/ Authorities, Labour Department, Land Revenue Department, Sales Tax authorities, Income Tax authorities, Shops and Establishment Act authorities, Customs and Central Excise authorities, the Director General of Civil Aviation and to do or perform all acts and deeds relating to such matters;
- To apply, in the name of and for the Company for telephone, telex, fax and other telecommunication and electrical/electronic connections and to do all matters relating to such applications;

- B) To Grant General / Special power of attorney or any other document which may be required under any law for time being in force to enter into any agreement, deed or document on behalf of the Company or to represent the Company before any government or other authority, if any;
- C) To do all acts, deeds and things as the said committee deems fit and considers necessary by exercising the powers of the Board which the said committee may lawfully exercise by virtue of the powers hereinabove conferred, including the decisions by way of a circular resolution;

The Committee met Thirteen times during 2021-22. No sitting fee was paid for the said meetings.

g) Finance Committee

The Finance Committee has been constituted to deal with the following matters:

- 1) To avail Non-Fund based credit limits including Bank Guarantees from Banks upon such security as may be required by the Banks and agreed to by the Finance Committee and the aggregate amount of such Non-fund based limits including Bank Guarantees shall not exceed ₹ 5 Crores.
- 2) To avail credit/financial facilities of any description from Banks/Financial Institutions/ Bodies Corporate (hereinafter referred to as 'Lenders') upon such security as may be required by the Lenders and agreed to by the said committee, provided however that, the aggregate amount of such credit/ financial facilities to be availed by the said Committee between any two consecutive Board meetings shall not exceed ₹ 150.00 Crores.
- 3) To hypothecate or create mortgage on assets offered as security in favour of the lenders and file requisite particulars of such charge in favour of the lenders with Registrar of Companies within the time prescribed under the applicable law.
- 4) To invest and deal with any monies of the Company upon such security (not being shares of the Company) or without security, in such manner as the said committee may deem fit, and from time to time to vary or realize such investments.
- 5) To make loans to individuals, to place deposits with other companies/firms upon such security or without security in such manner as the said committee may deem fit and from time to time vary/recover such loans/deposits, provided however, that the aggregate amount of such loans/deposits shall not at any time exceed 30% of the aggregate subscribed equity share capital and free reserves of the Company.
- 6) To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which said Committee may consider necessary and expedient and do such other acts incidental or connected therewith.
- 7) To do all acts, deeds and things as the said committee may deem fit and consider necessary by exercising the powers of the Board which said committee may lawfully exercise by virtue of the powers hereinabove conferred.

As on 31st March 2022, the committee comprises of three directors viz. Dr. Vijay Sankeshwar (Chairman), Dr. Anand Sankeshwar and Dr. Raghottam Akamanchi. The said committee met thirty five times during the year. No sitting fee was paid for the said meetings.

III) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 2nd February 2022 , inter alia, to discuss:

- 1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- 2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- 3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors who were present at the meeting expressed their satisfaction on the above matters.

The details of the attendance of the Independent Directors at the meeting are given in Table 8. No sitting fee was paid for the said meeting.

Table 8: Details of the Independent Directors' Meeting

Name of the member	Position	Number of meetings held	Number of meetings attended
Dr. Anand Pandurangi	Chairman	1	1
Dr. Prabhakar Kore	Member	1	1
Mr. Gurudas Narekuli	Member	1	1
Mr. Shankarasa Ladwa	Member	1	0
Mrs. Medha Pawar	Member	1	1
Mrs. Smriti Bellad	Member	1	1

IV) Shareholder Information

(a) Disclosures regarding the Board of Directors

Pursuant to recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 12, 2021 have approved the re-appointment of Dr. Vijay Sankeshwar, as the Chairman and Managing Director of the Company for a further period of five years w.e.f. January 01, 2022 and fixed remuneration for an initial period of three years, which is in compliance with the Companies Act 2013 read with schedule V of the Companies Act 2013 in view of inadequate profits/ absence of profits.

Mr. K. N. Umesh and Dr. Raghottam Akamanchi are liable to retire by rotation under Section 152 of the Companies Act, 2013 and both of them have expressed their willingness to get re-appointed as Directors of the Company. The other details of Directors' appointment / re-appointment, resignation and retirement are provided in the Directors Report.

There are six Independent Directors on the Board of the Company as on 31st March 2022.

The Company has received declarations from all the above Independent Directors stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

(b) Means of Communication

In accordance with Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at www.vrlgroup.in containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated as and when required.

The quarterly, half-yearly and annual financial results are sent to the Stock Exchanges immediately after the Board approves the same. These results are usually published in Leading english dailies like EconomicTimes, Financial Express, Business line and Kannada newspaper, Vijayavani. The results along with presentations made by the Company to Analysts are also filed with the Exchanges and hosted on the website of the Company.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/such other information, which in its opinion, are material and/or have a bearing on its performance/operations and issues press releases, wherever necessary, for the information of the public at large.

For the benefit of the members, a separate email id has been created for member correspondence viz., investors@vrllogistics.com.

(c) General Body Meetings

The Company convenes the Annual General Meeting (AGM) generally during the month of August / September.

Details of last three Annual General Meetings are as under:

Financial year	Date and time	Special resolutions passed	Venue
2020-21	August 7, 2021 at 4:00 PM	a) Re-appointment of Dr. Vijay Sankeshwar as Chairman and Managing Director of the Company	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207
2019-20	August 14, 2020 at 4.00 PM	a) Re-appointment of Mrs. Medha Pawar as an Independent Director. b) Re-appointment of Mr. Shankarasa Ladwa as Independent Director. c) Re-appointment of Dr. Anand Pandurangi as an Independent Director. d) Approval for payment of remuneration to Dr. Vijay Sankeshwar, Chairman and Managing Director. e) Approval for payment of remuneration to Dr. Anand Sankeshwar, Managing Director. f) Approval for payment of remuneration to Mr. L. R. Bhat, Whole time Director. g) Approval for payment of remuneration to Mr. K. N. Umesh, Whole time Director.	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207
2018-19	August 10, 2019 at 4.00 PM	a) Re-appointment of Dr. Anand Sankeshwar as a Managing Director of the Company. b) Re-appointment of Dr. Prabhakar Kore as Independent Director of the Company for period of five years. c) Continuation of appointment of Dr. Vijay Sankeshwar as Managing Director of the Company upon attaining the age of 70 years.	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207

Postal Ballot

During the year under review, no resolution was passed through postal ballot.

(d) General Shareholder Information

• **Forthcoming Annual General Meeting**

Date : August 10, 2022

Day : Wednesday

Time : 4:00 p.m.

Venue : Registered office of the Company situated at RS. No. 351/1 Varur Post Chabbi Taluk Hubballi District Dharwad Hubballi – 581 207 (18th KM, NH-4, Bengaluru Road, Varur).

• **Last date for Receipt of Proxies**

August 8, 2022 (before 4:00 p.m. at the Registered Office of the Company)

• **Financial Year**

The financial year of the Company covers the period commencing from April 1 upto March 31 of the succeeding year.

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2023 are as follows:

1st Quarter Results : August 10, 2022

2nd Quarter Result : November 07, 2022

3rd Quarter Result : February 08, 2023

4th Quarter & Annual Results : May 25, 2023

• **Dividend Payment date**

No final dividend for FY 2021-22 is proposed by the Board.

- **Listing**

The Equity Shares of the Company are listed on the following exchanges:

- BSE Limited (BSE), Floor 25, P J Towers, Dalal Street, Mumbai 400 001
- National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051

The Company has paid the annual listing fees for the year 2021-22 and 2022-23 to BSE and NSE.

- **Stock Codes:**

ISIN (Equity Shares) in NSDL and CDSL	INE366I01010
BSE Code	539118
NSE Code	VRLLOG

- **Corporate Identification Number:**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L60210KA1983PLC005247.

Share Price Data: High/Low and Volume during each month of 2021-2022 at BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-21	244.00	201.60	4,81,97,462	245.85	210.00	17,96,535
May-21	268.00	212.80	13,32,21,068	268.15	214.50	70,92,724
Jun-21	309.70	240.05	42,11,84,849	309.90	246.80	1,69,64,092
Jul-21	323.80	276.85	35,69,50,685	324.00	276.40	1,03,94,430
Aug-21	345.00	292.30	13,98,29,969	342.45	290.10	66,02,133
Sep-21	410.05	309.75	22,33,64,093	412.00	307.05	84,27,002
Oct-21	428.70	352.50	13,52,55,591	430.00	302.20	48,27,345
Nov-21	534.00	369.45	50,01,54,486	534.80	367.90	1,20,42,417
Dec-21	486.30	405.05	12,32,10,179	488.00	405.05	24,91,557
Jan-22	506.45	427.70	15,52,46,540	508.35	425.90	38,35,209
Feb-22	591.50	402.00	40,03,67,044	591.90	405.00	85,64,800
Mar-22	499.00	398.15	15,20,28,138	499.15	398.20	38,46,477

• Performance comparison to broad based indices i.e. BSE Sensex and NSE Nifty

Chart A: VRL vs. Sensex

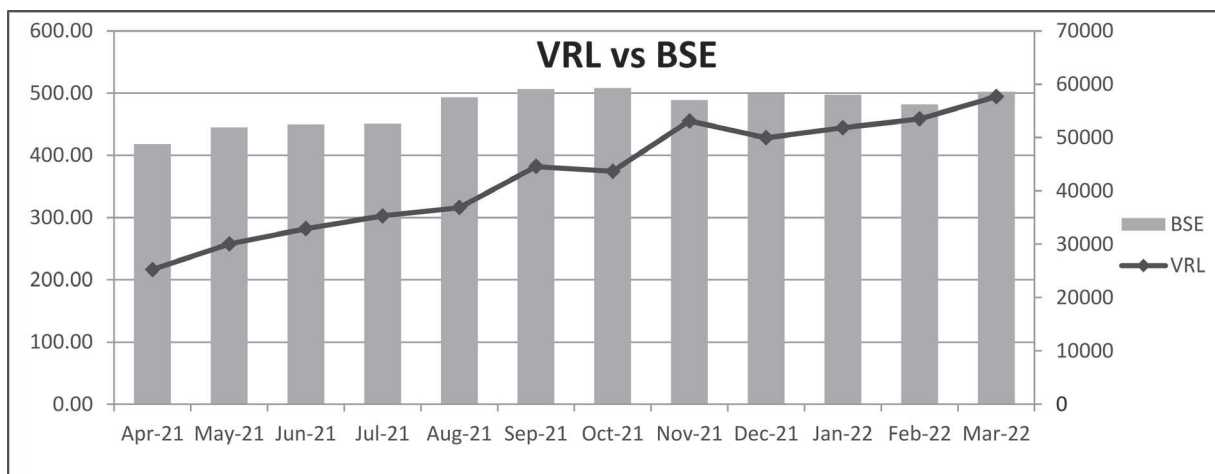
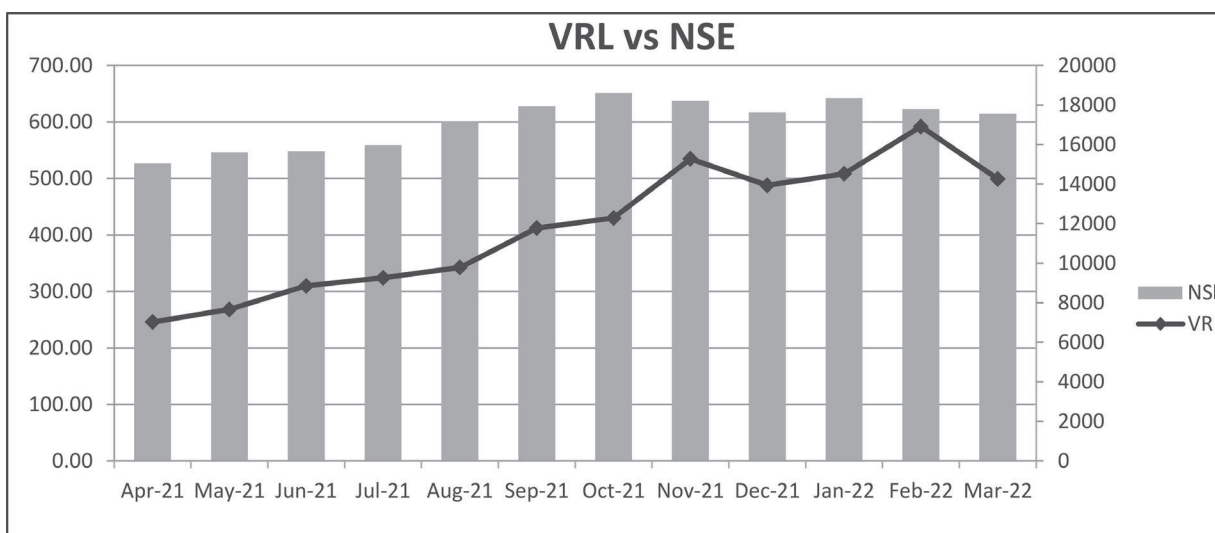


Chart B: VRL vs. Nifty



• Distribution of shareholding as on March 31, 2022

SL No	Distribution range of shareholding	Number of Shareholders	Number of Shareholders (%)	Total Shares	Total Amount	Total Amount (%)
1	1-5000	52,486	94.81	31,71,914	3,17,19,140	3.59
2	5001- 10000	1,640	2.96	12,14,680	1,21,46,800	1.38
3	10001- 20000	683	1.23	9,45,051	94,50,510	1.07
4	20001- 30000	189	0.34	4,65,808	46,58,080	0.53
5	30001- 40000	78	0.14	2,75,498	27,54,980	0.31
6	40001- 50000	66	0.12	3,04,705	30,47,050	0.34
7	50001- 100000	72	0.13	5,21,393	52,13,930	0.59
8	100001 & Above	146	0.26	8,14,44,446	81,44,44,460	92.19
		55,360	100.00	8,83,43,495	88,34,34,950	100.00

• **Shareholding Pattern as on March 31, 2022**

SL	Description	As on 31st March 2022		As on 31st March 2021	
		Total Shares	% Equity	Total Shares	% Equity
1	Promoters	6,14,80,000	69.59	6,14,80,000	69.59
2	Mutual Funds	1,33,73,182	15.14	1,64,86,358	18.66
3	Foreign Portfolio - Corp	32,00,465	3.62	26,93,916	3.05
4	Resident Individuals	86,83,759	9.83	63,76,525	7.22
5	Bodies Corporates	6,83,534	0.77	4,87,743	0.55
6	HUF	2,34,208	0.27	2,15,966	0.24
7	Non Resident Indians	3,18,927	0.36	2,89,052	0.33
8	Clearing Members	70,781	0.08	62,256	0.07
9	NBFCs	-	-	17,000	0.02
10	Trusts	9,729	0.01	1,952	0.00
11	Alternative Investment Fund	1,45,200	0.16	2,32,727	0.26
12	Qualified Institutional Buyer	1,43,710	0.16	-	-
Total		8,83,43,495	100.00	8,83,43,495	100.00

• **Share Transfer System**

The Registrars and Share Transfer Agents have put in place an appropriate Share Transfer system to ensure timely share transfers. Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

There are no shares in demat suspense account or unclaimed suspense account as on March 31, 2022.

• **Dematerialization of Shares and Liquidity**

As on March 31, 2022, 88,343,439 equity shares representing nearly 99.99% of the total equity share capital of the Company, were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited and only 56 equity shares of the Company are held in physical form. The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE366I01010.

The break-up of equity shares held in dematerialized and physical form as on March 31, 2022 is given below:

Category	Number of shareholders	Total shares	Percentage
Physical	3	56	0.00
NSDL	22,054	2,26,25,174	25.61
CDSL	33,303	6,57,18,265	74.39
Total	55,360	8,83,43,495	100.00

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

• **Outstanding Instruments**

There are no outstanding Global Depository Receipts / American Depository Receipts / warrants / any convertible instruments.

• **Credit Rating:**

ICRA has rated the Company's debt at A+ indicating a Stable long term outlook. Details relating to credit rating are also provided in the Directors report.

• **Commodity price risk or foreign exchange risk and hedging activities:**

The Company had no such transactions during the year hence the Company has not opted for hedging. Details of foreign currency exposure are disclosed in notes to the financial statements. As such no disclosure is warranted in terms of SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

- **Registrars and Share Transfer Agents:**

KFin Technologies Limited
(Unit: VRL Logistics Limited)
Tower B, Plot No. 31 & 32, Selenium Building Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91-40-23312454, Fax: +91-40-23311968
Email: einward.ris@kfintech.com
Website: www.kfintech.com

- **Plant Locations:**

Registered Office:

RS No. 351/1,
Varur Post Chabbi Taluk Hubballi,
District Dharwad, Hubballi– 581207
Karnataka, India

Corporate Office:

Giriraj Annexe, Circuit House Road
Hubballi – 580 029
Karnataka, India

- **Address for Members' Correspondence**

Members are requested to correspond with the Registrars and Share Transfer Agents at the address given above for all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

The Company has maintained an exclusive email id: investors@vrllogistics.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same has been displayed on the Company's website:www.vrlgroup.in

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer and/ or the Investor Relation Officer at the following address:

- **Compliance Officer:**

Mr. Aniruddha Phadnavis
Company Secretary & Compliance Officer

Corporate Office: Giriraj Annexe

Circuit House Road
Hubballi – 580 029 Karnataka
Email: investors@vrllogistics.com
Phone: 0836 2237511

- **Investor Relations officer (Financial disclosure and Investor relations correspondence)**

Mr. Sunil Nalavadi – Chief Financial Officer
Tel: 0836 2237511
E-mail id: cfo@vrllogistics.com

V) Auditor's Certificate on Corporate Governance Compliance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions

of Corporate Governance, as stipulated in Regulation 34(3) and PART C of Schedule V of SEBI Listing Regulations and the same forms part of this report.

VI) Statement of unclaimed share application money and dividend as on March 31, 2022

Pursuant to Section 125 of the Companies Act, 2013, the amount of unpaid/unclaimed dividend and application money received by Company for allotment of securities and due for refund would be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on expiration of seven years from the date they become due for payment. The following table depicts the total amount remaining in the unclaimed dividend and unclaimed share application money account (Refund Account) and the due date of transfer of said amount to IEPF account.

Year	Date	Particulars	Dividend amount per share (in ₹)	Amount unclaimed as on 31 March, 2022 (₹)	Last date for claim	Due date to transfer unclaimed amount to IEPF
2015-16	April 25, 2015	IPO Share Application Money	NA	1,465,750	June 1, 2022	June 30, 2022
2015-16	February 1, 2016	Interim Dividend	5.00	184,695	March 7, 2023	April 6, 2023
2016-17	January 25, 2017	Interim Dividend	4.00	273,144	March 3, 2024	April 2, 2024
2018-19	November 03, 2018	Interim Dividend	3.50	142,002	December 8, 2025	January 7, 2026
2018-19	August 10, 2019	Final Dividend	2.00	96,358	September 15, 2026	October 14, 2026
2019-20	November 09, 2019	Interim Dividend	4.00	142,524	December 14, 2026	January 13, 2027
2019-20	February 08, 2020	Second Interim Dividend	3.00	139,365	March 13, 2027	April 12, 2027
2020-21	August 07, 2021	Final Dividend	4.00	166,169	September 12, 2028	October 11, 2028

VII) Management

Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Business Responsibility Report

Business Responsibility Report is given in a separate section forming part of this Annual Report.

Affirmations and Disclosures

a) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the SEBI Listing Regulations.

b) Related Party Transactions

Details of related party transactions are presented as part of the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

During the financial year, no materially significant related party transactions, that may have potential conflict with the interests of the Company at large, have been entered into by the Company. All transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the year were in the ordinary course of business and on an arm's length basis and did not attract provisions of Section 188 of Companies Act, 2013, relating to approval of the shareholders. Omnibus approval from the Audit Committee was obtained for all the transactions which are repetitive and normal in nature. All transactions with Related Parties were entered into with prior approval of Audit Committee as well as the Board. Further, disclosures are made to the Committee and the Board on a quarterly basis.

Company has adopted a Related Party Transactions Policy which is available on the website of the Company i.e. http://www.vrlgroup.in/investor_download/RPT%20Policy.pdf

c) Non-compliance, penalties, strictures imposed on the Company

The Company is in compliance with the requirements of the Stock Exchanges or SEBI and other statutory authority on all matters related to capital markets, since listing on the Stock Exchanges. Further, there were no non-compliances or penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority during the last three years.

d) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

The Company has implemented the vigil mechanism policy to report genuine concerns. The policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

During the year, none of such personnel have been denied access to the audit committee. The whistle blower policy of the Company can be accessed through the following link.

http://vrlgroup.in/investor_download/vigil_Mechanism.pdf

e) Accounting treatment in preparation of financial statements

The Company has followed the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards (Ind AS) Rules, 2015 in preparation of its financial statements.

f) Risk Management

The Company has established a robust risk management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks.

To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place various robust procedures for risk management. The same is reviewed and monitored by the Risk Management Committee as also the Audit Committee of the Board.

Risk management policy adopted by the Company can be accessed at the below link on the website of the Company:

http://vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf

g) Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders

The Company has adopted the policy on prevention of Insider Trading practice in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code governs the trading by insiders of the Company.

The objective of this Code is to prevent purchase and/ or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares when the Trading Window is closed. Further, the Code specifies the procedures to be followed and disclosures to be made by the Directors and the designated/specified employees, while dealing with the shares of the Company and enlists the consequences of any violations. Mr. Aniruddha Phadnavis, Company Secretary, has been designated as the Compliance Officer for this Code.

The said code has been hosted on the Company's website and can be accessed through the following link:

http://vrlgroup.in/vrl_investor_desk.aspx?display=policies

h) CEO/CFO Certification

As required under Regulation 17(8) of the SEBI Listing Regulations, the Chairman and Managing Director and the Chief Financial Officer of the Company have certified to the Board, the Financial Statements for the year ended March 31, 2022 and the certificate is annexed to this report.

i) Pledge of Equity Shares

No pledge has been created over the equity shares held by either Promoters and/or Promoter Group Shareholders as on 31st March 2022.

(j) The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company fulfils the following discretionary requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations read with Part E of Schedule II.

- The Company is in the regime of un-qualified financial statements.
- The Internal Auditors report directly to the Audit Committee.

k) Details of compliances with mandatory requirements of corporate governance and adoption of non-mandatory requirements

All mandatory requirements of corporate governance have been complied with. Details of compliance with non-mandatory requirements or discretionary requirements as required under Part E of Schedule II are provided under point (j) above.

l) Compliance with Secretarial Standards

The Institute of Company Secretaries of India has issued Secretarial Standards for Board and General Meetings in exercise of powers under Section 118 of the Companies Act, 2013. The Company complies with all the requirements of said Secretarial Standards.

m) Subsidiary

The Company has no subsidiary.

n) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review, the Company has not raised any amount through preferential allotment or qualified institutional placement.

o) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from a Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

p) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:

Not Applicable

q) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details of remuneration paid to Auditors of the Company are provided below:

Sl.No.	Particulars	Amount (₹ In Lakhs)
1	Audit Fees	64.90
2	Certification work	4.25
3	Reimbursement of Expenses	NIL
Total		69.15

r) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The details relating to the same are provided in the Board's report.

VIII) Investor safeguards and other information:

• Dematerialization of Shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation etc. and to ensure safe and speedy transactions in respect of the shares held.

• Revalidation of Dividend Warrants

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend from the Company owing to

transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund, as detailed under point no. VI above.

- **Update Address/ E-MailAddress/Bank Details**

To receive all communications/update on corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/e- mail address/bank details with the respective Depository Participants and in case of physical shares, the updated details have to be intimated to the Registrar and Share Transfer Agents.

- **Electronic Service of Documents to Members at the Registered Email Address**

As a responsible corporate citizen, your Company is supportive of the “Green Initiatives” taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI).

Accordingly, in respect of Members who have registered their email addresses, the Company will be dispatching all the documents vide electronic form.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members for registering their email address and changes therein, as may be applicable. Further, Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving such documents by electronic mode.

In view of the above, the Company shall send all documents like General Meeting Notices (including AGM notices), Annual Reports comprising Audited Financial Statements, Directors’ Report, Auditors’ Report and any other future communication (hereinafter referred as “documents”) in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars and Share Transfer Agents (RTA) (herein after “registered email address”) and made available to us, which would be deemed to be the member’s registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and members holding shares in physical form have to write to our RTA, KFin Technologies Limited at their specified address, so as to update their registered email address from time to time.

Please note that the Annual Report of the Company will also be available on the Company’s website www.vrlgroup.in for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, in physical form, upon receipt of requisition from the member, anytime, as a member of the Company.

- **E-Voting Facility to members**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by KFin Technologies Limited.

- **Register Nomination(s)**

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from/to the Registrars and Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

- **Dealings of Securities with Registered Intermediaries**

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

Dr. Vijay Sankeshwar
Chairman & Managing Director
(DIN: 00217714)

Place: Hubballi
Date: May 27, 2022

Dr. Anand Sankeshwar
Managing Director
(DIN: 00217773)

Place: Hubballi
Date: May 27, 2022



COMPLIANCE CERTIFICATE

Ref: Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

27th May 2022

To,
The Board of Directors
VRL Logistics Limited
Corporate Office,
Giriraj Annexe, Circuit House Road
Hubballi - 580 029

We, Dr. Vijay Sankeshwar, Chairman and Managing Director and Sunil Nalavadi, Chief Financial Officer of the Company hereby certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee that there are no:
1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements;
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

DR. VIJAY SANKESHWAR
Chairman and Managing Director
DIN: 00217714

SUNIL NALAVADI
Chief Financial Officer



CODE OF CONDUCT DECLARATION

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To
The Members of VRL Logistics Limited

Pursuant to Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and Senior Management personnel of the Company for the financial year ended 31st March 2022.

DR. VIJAY SANKESHWAR
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 00217714)

Place: Hubballi
Date: 27th May 2022



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
VRL Logistics Limited
Rs No.351/1, Varur Post Chabbi Taluk Hubli
Dist. Dharwad Hubli 581207

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s VRL Logistics Limited, having its Registered office at RS No.351/1, Varur, Post Chabbi, Taluk Hubballi, District Dharwad, Hubballi – 581 207, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory.

For A S Pachlag and Co.,
Company Secretaries

Akshay S Pachlag
M. No.30741, CP: 11710

Date: 18th May 2022
Place: Hubballi
UDIN:A030741D000340270

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated 28 August 2020.
2. We have examined the compliance of conditions of corporate governance by VRL Logistics Limited (the 'Company') for the year ended 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes, issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics, issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations, during the year ended 31 March 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
Partner
M. No.: 42454

UDIN:22042454AKOSRK6812

Place : Hubli
Date: 27th May 2022

Independent Auditor's Report

To the Members of VRL Logistics Limited

Report on the Audit of the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind-AS financial statements of **VRL LOGISTICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1.	<p>Revenue recognition and measurement</p> <p>Refer to Note 1(l) (Accounting policies) and Note 22 of the financial statements for aggregate revenue from sale of products and services recognised as required by the applicable Ind AS. For the year ended March 31, 2022, the Company recognised revenues aggregating to INR 239,365.25 lakhs.</p> <p>The Company has high volume of transactions each day recorded across various branches and through agencies using complex information technology systems which are linked to the financial reporting process. A high number of sale transactions in goods transport and bus operations business are settled in cash. Further, Standards on Auditing mandate a presumed significant risk of fraud in revenue recognition.</p> <p>Management is required to make certain key judgements relating to identifying contracts with customers, performance obligations involved in contracts, determining transaction price which involves variable consideration elements, allocation of the transaction price to such performance obligations and satisfaction of performance obligations.</p> <p>Risk identified:</p> <p>Due to the significance of the item to the financial statements, complexities involved including high inherent risk associated with cash transactions, information technology systems relied on and Management judgement involved for ensuring appropriateness of accounting treatment of revenue generated from goods transport and bus operations business, this matter has been identified as a key audit matter for the current year's audit.</p>	<p>Our procedures included:</p> <p>Accounting policies: Understood the revenue and receivable business process for goods transport and bus operations and assessed the appropriateness of the accounting policy adopted by the Company for revenue recognition.</p> <p>Tests of controls: Evaluated the design and implementation of the key financial and Information Technology (IT) controls around the revenue recognition process including controls around evidence of service delivery, price approvals, cash collection and timing of transactions including cut off.</p> <p>Tested operating effectiveness of above identified key controls over the recognition and measurement of revenue during the year and as at year end.</p> <p>Tests of details:</p> <ul style="list-style-type: none"> Inspected the internal audit reports for any observations reported based on such internal audits conducted at branches during the year on rotation basis to evaluate if any such observations materially impact the financial statements or impact our assessment of relevant key internal financial controls tested as above or otherwise materially impacts recognition and measurement of revenue. Performed test of details on a sample of revenue transactions recorded during the year including specific periods before and after year end. For the samples selected, inspected supporting documents such as invoices, contracts, goods consignment notes, evidence of delivery of service, cash receipt, etc. On a sample basis, compared the daily cash collection with the bank deposit reconciliation prepared by each branch and agency and submitted to Head office periodically by tracing the same to relevant bank statements. Tested the appropriateness and rationale for specific manual journal entries impacting revenue, as well as other adjustments made in the preparation of the financial statements, selected through a combination of risk-based and high-value transactions selection criteria. <p>Performing substantive analytical procedures:</p> <p>Performed substantive analytical procedures like occupancy analysis for bus operations, tonnage growth, price yield growth, etc. We also evaluated the appropriateness and adequacy of the related disclosures made in the financial statements for revenue recorded during the year.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
2.	<p>Lease Accounting – Ind AS 116</p> <p>Refer to Note 1(e) (Accounting policies) and Note 38 of the accompanying financial statements.</p> <p>The Company has a high volume of lease contracts owing to the nature of its operations which are spread across India. The application of Ind AS 116 involves use of significant judgements and estimates including determination of leases, lease term including termination and renewal option, use of practical expedients, and discount rates for each lease etc.</p> <p>Risk identified:</p> <p>Owing to the inherent subjectivity related to principal assumptions such as discount rates, we have identified the application of Ind AS 116 as a key audit matter for the current year audit.</p>	<p>Our procedures included:</p> <p>Accounting policies:</p> <p>Understanding and assessed the appropriateness of the accounting policy adopted by the Company for leases.</p> <p>Tests of controls:</p> <p>Obtained an understanding of the Management’s process for identification of leasing arrangements which are considered to be within the scope of Ind AS 116, Leases, and tested the design and effectiveness of Management’s controls relating to identification and accounting of lease contracts and disclosures.</p> <p>Tests of details:</p> <ul style="list-style-type: none"> • Reviewed the overall impact analysis prepared by the Management including completeness of lease contracts, lease term and application of practical expedients. • Tested the reasonableness of key assumptions used including discount rate, lease terms and measurement principles. • Tested the inputs and calculations of the right-of-use assets and lease liability, prepared by the Management for each material lease contract. • Verified the integrity and arithmetical accuracy of Ind AS 116 calculations for each sample, through recalculation of the Ind AS 116 adjustments. <p>We also evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to lease liability and right of use assets recorded during the year, in accordance with Ind AS 116.</p>

Information Other than the Ind-AS Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Director’s Report and Report on Corporate Governance but does not include the Ind-AS financial statements and our auditor’s report thereon.

Our opinion on the Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibilities for the Ind-AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance

with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind-AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind-AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (*including Other Comprehensive Income*), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022, and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2022, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS financial statements - Refer Note 32 to the Ind-AS financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv) The Management has represented that as per the requirements of sub-clause (i) and (ii) of Rule 11(e):
 - a) to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed by us which are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided above, contain any material misstatement.

v) As per information and explanation represented by Management and based on the records of the Company, the dividend proposed in the previous year, declared and paid by the Company during the year and the interim dividend declared and paid by the Company during the year are in accordance with Section 123 of the Act, as applicable.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser

Partner

Membership No.: 42454

UDIN: 22042454AJSOMP3918

Hubballi: May 27, 2022.

Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind-AS financial statements for the year ended March 31, 2022:

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020:

- i) Property Plant and Equipment:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of physical verification of Property, Plant and Equipment at periodic intervals in a phased programme designed to cover all the classes of Property, Plant and Equipment during the year. In our opinion, this periodicity of physical verification is commensurate with the size of the Company and the nature of its assets. As per the information and explanations given to us, the Company has physically verified property, plant and equipment, in accordance with the above policy during the year and no material discrepancies were noticed in respect of assets verified during the year.
 - c) According to the information and explanations given to us and on the basis of the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company or in the erstwhile name of the Company, except as disclosed in Note 2 of the Financial Statements.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii) Inventory:
 - a) The Management has conducted physical verification of inventories at reasonable intervals. In our opinion, this periodicity of physical verification is commensurate with the size of the Company and the nature of its operations. The discrepancies noticed on such physical verifications between physical stock and book records are less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.
 - b) According to the information and explanations given to us by the Management and books and records maintained, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at various points of time during the year, from banks on the basis of security of immovable properties of the Company. The quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has no borrowings from financial institutions during the year.
- iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of sub-clause (a), (b), (c), (d), (e) and (f) of paragraph 3 (iii) of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76, or any other relevant

provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

- vi) We have broadly reviewed the books of account and records maintained by the Company in respect of the product covered under the Rules prescribed by the Central Government for the maintenance of cost records, under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) **Statutory Dues:**
- a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, Profession Tax, cess and other material applicable statutory dues during the year. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of certain expenses treating them as personal expenses.	40.25	F. Y. - 2010-11	Assistant Commissioner of Income Tax
	Disallowance of certain expenditure such as advances claimed as bad debts and disallowance of certain expenses treating them as personal expenses.	25.01	F. Y. - 2011-12	Income Tax Appellate Tribunal.
	Disallowance on Tax on Sale of Certified Emission Reduction and on account of personal flights undertaken by the management.	185.59	F.Y. -2013 - 14	High Court of Karnataka
	Disallowance of certain expenses treating them as personal expenses.	14.23	F. Y. - 2015-16	Commissioner of Income Tax (Appeals)
	Disallowance of employer's contribution to gratuity fund, leave salary and bonus, deduction in respect of new employees and certain expenses treating them as personal expenses. Addition on account of fall in net profit ratio. (Net of Amount paid under Protest – Rs. 174.19 lakhs).	1,051.83	F. Y. - 2016-17	Commissioner of Income Tax (Appeals)
	Disallowance of employer's contribution to gratuity fund and deduction in respect of new employees.	146.16	F. Y. - 2017-18	Commissioner of Income Tax (Appeals)
	Demand of Interest on tax not deducted at source on body building charges, contribution to power evacuation facilities, etc. (Net of Amount paid under Protest – Rs. 105.73 lakhs).	Nil	F. Y. - 2006-07	Commissioner of Income Tax (Appeals)
	Demand of Interest on tax not deducted at source on body building charges. (Net of Amount paid under Protest – Rs. 1.75 lakhs).	Nil	F. Y. - 2007-08	Commissioner of Income Tax (Appeals)

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Customs duty on import of aircraft and related interest / penalties / fines. (Net of Amount paid under Protest – Rs. 688.05 lakhs).	880.97	F. Y. - 2007-08	Customs, Excise and Service Tax Appellate Tribunal (Ahmedabad)
Finance Act, 1994	Non-refund of service tax paid	242.88	2000-01 to 2001-02	Customs, Excise and Service Tax Appellate Tribunal (Bengaluru)
	Service tax arising due to reclassification of services.	328.45	April 2014 to February 2017	Customs, Excise and Service Tax Appellate Tribunal (Bengaluru)
	Service Tax on National Permit Fees.	68.07	April 2016 to June 2017	Deputy General of GST Intelligence (Bengaluru)

- viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) Borrowings:
- In our opinion and according to the information and explanations given to us, and representation obtained from Management, the Company has not defaulted in repayment of loans or other borrowings or payment of interest thereon to any lender during the year.
 - In our opinion and according to the information and explanations given to us and representation obtained from Management, the Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
 - In our opinion and according to the information and explanations given to us and representation obtained from Management, the Company has applied the term loans obtained during the year for the purpose for which it was obtained.
 - In our opinion and according to the information and explanations given to us and representation obtained from Management, on an overall examination of the Ind-AS financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
 - According to the information and explanations given to us, representation obtained from Management, and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) and (f) of the Order are also not applicable.
- x) Allotment of Shares
- According to the information and explanations given to us, representation obtained from Management,

the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) Frauds

- (a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, based on the nature of operations of the Company, no material frauds by or on the Company have been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and representation from Management, no whistle-blower complaints has been received by the Company during the year.

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, Company hence reporting under clause (xii) (a), (b) and (c) of the Order are not applicable to the Company.

- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act with respect to applicable transactions with the related parties and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Internal Audit System

- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi) (a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(a) and (b) of the Order are not applicable.
- (b) Neither the Company nor any company in the Group is a part of the Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.

- xvii) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

- xviii) There has been no resignation of the statutory auditor of the Company during the year.

- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and representation

from Management. Our report does not give any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) Corporate Social Responsibility

There are no unspent amounts towards Corporate Social Responsibility (CSR) as at March 31, 2022. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser

Partner

Membership No.: 42454

UDIN: 22042454AJSOMP3918

Hubballi: May 27, 2022.

Annexure B

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **VRL LOGISTICS LIMITED** ("the Company") as of March 31, 2022, in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Ind-AS Financial Statements

A Company's internal financial control with reference to Ind-AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Reg. No.: 104607W / W100166

Daraius Z. Fraser

Partner

Membership No.: 42454

UDIN: 22042454AJSOMP3918

Hubballi: May 27, 2022.



BALANCE SHEET AS AT 31 MARCH 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

PARTICULARS	NOTE	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, Plant and Equipment	2	74,693.02	68,584.81
Right-of-use Assets	2(a)	34,976.60	26,547.96
Capital Work-in-Progress		3,497.95	607.57
Investment Properties	3	89.05	238.57
Intangible Assets	4	40.45	64.12
Financial Assets			
Investments	5	5.25	5.25
Other Financial Assets	6	3,779.95	2,887.49
Income-tax Assets (Net)		1,370.14	1,366.48
Other Non-Current Assets	7	2,467.67	1,883.84
		1,20,920.08	1,02,186.02
Current Assets			
Inventories	8	4,585.52	3,951.21
Financial Assets			
Trade Receivables	9	6,725.85	6,393.70
Cash and Cash Equivalents	10	1,399.19	1,866.86
Bank Balances other than Cash and Cash Equivalents	11	49.60	29.52
Other Financial Assets	12	1,079.91	1,095.89
Other Current Assets	13	3,268.04	4,335.18
		17,108.11	17,672.36
Total Assets		1,38,028.19	1,19,858.38
Equity and Liabilities			
Equity			
Equity Share Capital	14	8,834.35	8,834.35
Other Equity	15	56,328.72	50,879.66
		65,163.07	59,714.01
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	8,139.97	3,947.76
Lease Liabilities	38	29,809.98	22,334.10
Other Financial Liabilities	17	1,626.12	1,534.73
Provisions	18	2,909.65	2,070.02
Deferred Tax Liabilities (Net)	29.2	3,861.88	4,400.84
		46,347.60	34,287.45
Current Liabilities			
Financial Liabilities			
Borrowings	16	6,208.28	8,009.29
Lease Liabilities	38	9,502.25	7,885.38
Trade Payables			
total outstanding dues of micro and small enterprises	19	2.94	10.07
total outstanding dues of creditors other than micro and small enterprises	19	2,002.95	1,345.34
Other Financial Liabilities	20	5,196.06	5,346.30
Provisions	18	1,419.89	1,249.97
Current Tax Liabilities (Net)		202.27	481.57
Other Current Liabilities	21	1,982.88	1,529.00
		26,517.52	25,856.92
Total Equity and Liabilities		1,38,028.19	1,19,858.38

Notes to the financial statements

1 to 45

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

Darius Z. Fraser

Partner

Membership No.: 42454

Place : Hubballi

Date : 27 May 2022

For and on behalf of the Board of Directors

Vijay Sankeshwar

Chairman and Managing Director

(DIN: 00217714)

Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 27 May 2022

Anand Sankeshwar

Managing Director

(DIN: 00217773)

Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

(Rupees in Lakhs, except for share data, and if otherwise stated)

PARTICULARS	NOTE	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	2,39,365.25	1,76,292.24
Other income	23	1,681.29	1,286.49
Total Income		<u>2,41,046.54</u>	<u>1,77,578.73</u>
Expenses			
Freight, handling and servicing cost	24	1,59,165.41	1,18,174.64
Employee benefits expense	25	37,202.39	31,465.56
Finance costs	26	4,309.18	3,681.96
Depreciation and amortisation expense	27	16,799.76	15,979.01
Other expenses	28	2,580.58	1,903.49
Total expenses		<u>2,20,057.32</u>	<u>1,71,204.66</u>
Profit before tax		20,989.22	6,374.07
Tax expense			
Current tax	29	5,750.00	1,817.38
Deferred tax charge / (credit)		(552.10)	49.90
Current tax adjustments pertaining to earlier year		(219.94)	-
Profit for the year		<u>16,011.26</u>	<u>4,506.79</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		52.15	(211.65)
Deferred tax credit / (charge)		(13.13)	53.27
Other comprehensive income for the year, net of tax		<u>39.02</u>	<u>(158.38)</u>
Total comprehensive income for the year		<u>16,050.28</u>	<u>4,348.41</u>
Basic and diluted earnings per share of face value ₹ 10 each (in ₹)	30	18.12	4.99

Notes to the financial statements

1 to 45

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

Daraius Z. Fraser**Partner**

Membership No.: 42454

Place : Hubballi

Date : 27 May 2022

For and on behalf of the Board of Directors**Vijay Sankeshwar**

Chairman and Managing Director

(DIN: 00217714)

Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 27 May 2022

Anand Sankeshwar

Managing Director

(DIN: 00217773)

Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

PARTICULARS	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flows from operating activities		
Profit before tax	20,989.22	6,374.07
Adjustments for :		
Depreciation and amortisation expense	16,799.76	15,979.01
Finance costs	4,309.18	3,670.28
Interest income from fixed deposit	(28.46)	(4.80)
Rent income from investment property	(56.41)	(114.76)
Dividend income	(0.71)	(0.15)
Profit on sale of property, plant and equipment (net)	(430.47)	(70.81)
Advances/bad debts written off	51.27	1.36
Allowance for doubtful advances and debts	15.81	30.78
Interest income resulting from fair valuation of security deposits	(329.13)	(217.80)
Rent income/adjustment arising on fair valuation of security deposits received	-	(7.05)
Fair valuation of financial liabilities	-	11.68
Operating profit before working capital changes	41,320.06	25,651.81
Adjustments for :		
(Increase)/Decrease in trade receivables	(347.96)	2,138.41
(Increase)/Decrease in financial and other assets	430.57	(86.13)
Decrease/(Increase) in Inventories	(634.31)	(1,024.63)
(Decrease)/Increase in trade payables, other liabilities and provisions	2,120.31	1,966.01
Cash generated from operating activities	42,888.67	28,645.47
Direct taxes paid (net of refunds)	(5,813.02)	(1,483.18)
Net cash generated from operating activities (A)	37,075.65	27,162.29
B Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances)	(19,329.51)	(3,898.26)
Proceeds from sale of property, plant and equipment	1,248.32	598.68
(Investments) / maturity proceeds of fixed deposits with bank (net)	(18.45)	21.66
Rent received from investment property	56.41	114.76
Interest received	29.03	11.88
Dividend income received	0.71	0.15
Net cash (used in)/generated from investing activities (B)	(18,013.49)	(3,151.14)
C Cash flows from financing activities		
Buyback of equity shares	-	(6,321.33)
Proceeds from/(repayment of) short term borrowings (net)	(2,992.29)	(642.64)
Proceeds from long term borrowings	9,233.46	-
Repayment of long term borrowings	(3,849.97)	(6,330.79)
Payment of principal portion of the lease liability	(7,032.10)	(6,424.87)
Payment of interest portion of the lease liability	(3,149.53)	(2,353.77)
Dividend paid and tax thereon	(10,599.59)	-
Interest and processing fees paid	(1,139.81)	(1,362.17)
Net cash (used in)/generated from financing activities (C)	(19,529.83)	(23,435.58)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(467.67)	575.57
Cash and cash equivalents at the beginning of the year	1,866.86	1,291.29
Cash and cash equivalents at the end of the year	1,399.19	1,866.86
Cash and cash equivalents comprise:		
Cash on hand	425.23	409.74
Cheques/drafts on hand	54.90	73.52
Balances with banks		
- in current accounts	911.23	1,350.46
- in deposit accounts (with maturity upto 3 months)	7.83	33.14
Cash and cash equivalents as per Note 10 to the Financial Statements	1,399.19	1,866.86

Notes:

1] The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7, Statement of cash flows.

Notes to the financial statements

1 to 45

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

Daraius Z. Fraser

Partner

Membership No.: 42454

Place : Hubballi

Date : 27 May 2022

For and on behalf of the Board of Directors

Vijay Sankeshwar

Chairman and Managing Director

(DIN: 00217714)

Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 27 May 2022

Anand Sankeshwar

Managing Director

(DIN: 00217773)

Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

a	Equity share capital (Refer note 14)	Number	Amount			
	As at 1 April 2020	9,03,43,495	9,034.35			
	Less: Buyback of shares during the year (refer Note 36)	20,00,000	200.00			
	Balance as at 31 March 2021	8,83,43,495	8,834.35			
	Issue of Share Capital	-	-			
	Balance as at 31 March 2022	8,83,43,495	8,834.35			
b	Other equity (Refer note 15)					
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Total Equity
	Balance as at 1 April 2020	17,685.78	9,165.64	90.00	25,711.16	52,652.58
	Profit for the year				4,506.79	4,506.79
	Other comprehensive income for the year (Net of Tax)				(158.38)	(158.38)
	Total Comprehensive income for the year ended 31 March 2021				4,348.41	4,348.41
	Amount utilised on account of buyback of shares (refer Note 36)	(4,987.46)	-	-	-	(4,987.46)
	Tax on buyback of shares (refer Note 36)	(1,133.87)	-	-	-	(1,133.87)
	Amount transferred to Capital Redemption Reserve on account of buyback of shares (refer Note 36)	(200.00)	-	200.00	-	-
	Transfer to General Reserve	-	450.68	-	(450.68)	-
	Balance as at 31 March 2021	11,364.45	9,616.32	290.00	29,608.89	50,879.66
	Profit for the year	-	-	-	16,011.26	16,011.26
	Other comprehensive income for the year (Net of Tax)	-	-	-	39.02	39.02
	Total Comprehensive income for the year ended 31 March 2022	-	-	-	16,050.28	16,050.28
	Cash dividends	-	-	-	(10,601.22)	(10,601.22)
	Transfer to General Reserve	-	1,601.13	-	(1,601.13)	-
	Balance as at 31 March 2022	11,364.45	11,217.45	290.00	33,456.82	56,328.72

Notes to the Financial Statements

1 to 45

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

Daraius Z. Fraser

Partner

Membership No.: 42454

Place : Hubballi

Date : 27 May 2022

For and on behalf of the Board of Directors

Vijay Sankeshwar

Chairman and Managing Director

(DIN: 00217714)

Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 27 May 2022

Anand Sankeshwar

Managing Director

(DIN: 00217773)

Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary

Notes to the Financial Statements for the year ended 31 March 2022

Company Overview

VRL Logistics Limited (the “Company”) having CIN L60210KA1983PLC005247 was incorporated under the Companies Act, 1956, on 31 March, 1983. The Company is engaged in logistics services dealing mainly in domestic transportation of goods. Other businesses include bus operations, transport of passengers by air, sale of power and sale of certified emission reductions (CER) units generated from operation of windmills. The operations of the Company are spread all over the country through various branches and transshipment hubs. The Company has its registered office in Hubballi, Karnataka.

General Information

a) Basis for preparation of financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the “Ind AS”), as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value and plan assets towards defined benefit plans, which are measured at fair value.

The financial statements have been prepared on a going concern basis and the accounting policies are applied consistently to all the periods presented in financial statement.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle (twelve months) and other criteria set out in the Division II of Schedule III to the Act.

b) Functional and presentation currency

The financial statements are presented in currency INR, which is the functional and presentation currency of the Company.

c) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

d) Significant management judgements in applying accounting policies and estimation uncertainty

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Notes to the Financial Statements for the year ended 31 March 2022

General Information (Contd.)

i) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

ii) Depreciation and useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

iii) Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iv) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

v) Contingent Liabilities

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

vi) Defined benefit obligation ("DBO")

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

vii) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Notes to the Financial Statements for the year ended 31 March 2022

General Information (Contd.)

viii) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

e) Recent Regulatory Pronouncements

i) Amendments to Schedule III of the Companies Act, 2013:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'Financial Liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, ratios, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the amendments and its applicability to the Company and give effect to them as required by law.

ii) Code of Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Notes to the Financial Statements for the year ended 31 March 2022

1. Significant Accounting Policies

a) Property, plant and equipment (including Capital work-in-progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost of items of property, plant and equipment includes expenditure that is directly attributable to the acquisition and installation, borrowing costs during the construction period and excludes any duties / taxes recoverable.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably.

If significant parts of an item of property, plant and equipment have different useful lives then they are accounted for as separate components of property, plant and equipment. The Company has recognised major inspection costs relating to aircraft engine and airframe overhauls and other major maintenance expenditure as separate components for aircrafts.

The carrying amount of any component accounted for as a separate asset is de-recognised when replaced or disposed. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

An item of property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on retirement or disposal of items of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as Capital Advances under Other Non- Current Assets. Assets acquired but not ready for use are classified under Capital Work in Progress and are stated at cost comprising of direct costs and related incidental expenses.

b) Investment Property

Investment property is the property that is not occupied by the Company and which is held to earn rentals or for capital appreciation, or both. Upon initial recognition, an investment property is measured at cost, including directly attributable overheads, if any. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of an investment property is recognised in Statement of Profit and Loss, unless any other standard specifically requires otherwise.

Company depreciates the investment property using the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act

Though, the Company measures investment property using cost - based measurement, the fair value of investment property is disclosed in Notes. The fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

c) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d) Depreciation/Amortisation

- i. Depreciation is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act except on Vehicles and Wind Turbine Generators (part of Plant and equipment).

Vehicles and Wind Turbine Generators are depreciated over a period of nine years and nineteen years respectively, based on internal assessment and independent technical evaluation carried out by external valuer; the Management believes that the useful life, as mentioned, represents the period over which Management expects to use these assets. Therefore, the useful life adopted for these assets are different from the useful life as prescribed under Part C of Schedule II of the Act.

Major inspection costs relating to engine and airframe overhauls and other heavy maintenance expenditure are identified as separate components for aircrafts and are depreciated over the expected life between major overhauls and remaining useful life of the aircraft, whichever is lower.

- ii. Cost of leasehold improvements is amortized over the period of the lease or its useful life, whichever is lower.
- iii. Computer Software is amortized over a period of five years.

An asset's carrying amount is written down to its recoverable amount immediately, if the asset's carrying amount is greater than its estimated recoverable amount.

The residual value of an asset is not more than 5% of the original cost of that asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

e) Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of Profit and Loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on straight line basis over the lease term.

f) Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that a non-financial asset may be impaired. . If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g) Foreign currency transactions

Foreign currency transactions and balances

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

- ii. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at the rate of exchange prevailing on the date of the Balance Sheet.
- iii. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
- iv. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial Assets

Initial recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

i. Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Financial Assets measured at fair value

Financial assets are measured at fair value through other comprehensive income (FVOCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recorded as expense/ income in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Equity investments

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. For equity instruments, the Company may make an irrevocable selection to present the subsequent fair value changes in Other Comprehensive Income (OCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

Equity instruments included within the FVTPL (fair value through profit and loss) category are measured at fair value with all changes in fair value recognized in the profit or loss.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

Subsequent measurement

Financial liabilities at FVPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability are re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

i) Fair value measurement

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

j) Inventories

Consumables, stores and spares are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. Obsolete, defective, unserviceable and slow/nonmoving stocks are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

l) Revenue recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

receivable excluding taxes or duties collected on behalf of the government and reduced by any rebates and trade discount allowed.

Contract assets includes costs incurred to fulfill a contract with a customer. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

The specific recognition criteria described below must also be met before income is recognised.

- i. Revenue from Goods transport and Courier service is recognised as and when goods and documents are delivered.
- ii. Revenue from Bus operations and Transport of passengers by air is recognised as and when transportation is provided.
- iii. Revenue from sale of power is recognised upon deposit of units of generated power at the grid of the purchasing electricity company.
- iv. Revenue from sale of eligible carbon credit units such as Verified / Certified Emission Reductions units (VERs)/ (CERs) is recognised on completion of the validation process for units generated and entering of a definitive binding agreement for the sale of such units.
- v. Revenue from hotel operations is recognized upon rendering of service.
- vi. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- vii. Dividend income is recognised when the right to receive the dividend is established.
- viii. Rent income is recognised on a straight-line basis over the period of the lease.
- ix. Advertisement income is recognised when the related advertisement or commercial appears before the public.

m) Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund, labour welfare fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

Defined benefit plan

The Company's liability towards gratuity, being a defined benefit plan is accounted for on the basis of an independent actuarial valuation based on Projected Unit Credit Method. The liability or asset recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

the fair value of plan assets. Gratuity liability is funded by payments to the trust established for the purpose.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Service cost and the net interest cost is included in employee benefit expense in the Statement of Profit and Loss. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in 'other comprehensive income' as income or expense.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Accumulated compensated absences which are expected to be availed or encashed subsequent to 12 months are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

o) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

Borrowings are eliminated from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transactions with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Notes to the Financial Statements for the year ended 31 March 2022

Significant Accounting Policies (Contd.)

p) Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of services rendered or sale of goods in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

q) Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

r) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

- i. Current income tax liabilities and/or assets comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.
- ii. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to the applicable tax regulations which may be subject to interpretation and creates provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.
- iii. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- iv. Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operations results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.
- v. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.
- vi. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Significant Accounting Policies (Contd.)

s) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent liabilities and contingent assets and commitments are reviewed at each balance sheet date.

Notes to the Financial Statements for the year ended 31 March 2022 (Rupees in Lakhs, except for share data, and if otherwise stated)

2 Property, Plant & Equipment

Gross Block	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Aircrafts	Leasehold Improvements	TOTAL
Balance as at 1 April 2020	14,843.66	13,810.72	16,056.21	997.57	3,430.84	67,908.75	3,188.97	971.14	1,21,207.86
Additions	-	115.29	669.56	66.94	254.51	1,405.34	-	255.22	2,766.86
Disposals / Adjustment	(35.56)	(19.99)	(86.17)	-	-	(3,346.56)	-	-	(3,488.28)
Balance as at 31 March 2021	14,808.10	13,906.02	16,639.60	1,064.51	3,685.35	65,967.53	3,188.97	1,226.36	1,20,486.44
Additions	649.49	467.44	1,060.70	90.45	494.07	12,550.21	681.89	9.65	16,003.90
Disposals / Adjustment	(1.60)	(51.82)	-	-	-	(1,517.21)	(1,082.82)	-	(2,653.45)
Balance as at 31 March 2022	15,455.99	14,321.64	17,700.30	1,154.96	4,179.42	77,000.53	2,788.04	1,236.01	1,33,836.89
Accumulated depreciation and amortisation									
Balance as at 1 April 2020	-	1,879.83	6,655.00	346.36	2,258.82	32,771.77	991.88	551.36	45,455.02
Depreciation charge	-	495.01	1,477.75	88.27	463.28	6,507.37	250.69	124.30	9,406.67
Reversal on disposal of assets / Adjustments	-	(2.22)	(12.66)	-	-	(2,945.18)	-	-	(2,960.06)
Balance as at 31 March 2021	-	2,372.62	8,120.09	434.63	2,722.10	36,333.96	1,242.57	675.66	51,901.63
Depreciation charge	-	494.42	1,541.43	90.47	379.27	6,125.15	328.60	118.50	9,077.84
Reversal on disposal of assets / Adjustments	-	(5.58)	-	-	-	(1,280.87)	(549.15)	-	(1,835.60)
Balance as at 31 March 2022	-	2,861.46	9,661.52	525.10	3,101.37	41,178.24	1,022.02	794.16	59,143.87
Net Block									
Balance as at 31 March 2021	14,808.10	11,533.40	8,519.51	629.88	963.25	29,633.57	1,946.40	550.70	68,584.81
Balance as at 31 March 2022	15,455.99	11,460.18	8,038.78	629.86	1,078.05	35,822.29	1,766.02	441.85	74,693.02

Notes:

- Disposals of Freehold Land includes an amount of ₹ 1.60 lakhs (previous year ₹ 2.97 lakhs) pertaining to compulsorily acquisition of land by the National Highways Authority of India. The Company has received compensation amounting to ₹ 152.95 lakhs (previous year ₹ 337.82 lakhs) resulting in the profit of ₹ 151.35 lakhs (previous year ₹ 334.85 lakhs) which is included in Note 23 Other Income, under Profit on sale of Property, plant and equipment (Net).
- The Bhiwandi property admeasuring 240,000 square feet purchased for a total consideration of ₹ 3,240 lakhs from M/s Indian Corporation, represented by its proprietor, Mr. Rudrapratap Urmaliya Tripathi, as a Power of Attorney holder of the original land owners is registered in the name of the Company by paying appropriate stamp duty and registration fees. The Company is in actual and physical possession of the property and has been carrying out its business activities in the aforesaid premises without any hindrance from anybody whatsoever since 1 September 2012. However, the Company has been facing difficulties in getting its name updated in the relevant Revenue Records i.e. 7/12 extract and has accordingly brought this to the notice of the vendor, who is trying to solve the matter and get the name of the Company entered into the Revenue Records as the owner of the property. Considering the fact that the property is already registered in the name of the Company vide Registered Sale Deed and further since the Company is in actual and physical possession of the property and has been carrying out its business activities without any hindrance from anybody whatsoever, except that there has been some difficulty in entering the name of the Company in the Revenue Records, the investment made by the Company is safe and fully recoverable. The Company has also obtained appropriate legal opinion in this regard to support its view. During the current year, the Company has made a payment of ₹ 649.49 lakhs to M/s Indian Corporation, as its contribution towards payment to be made to MMRDA for the regularization of the property and getting its name updated in the relevant Revenue Records. However, in case, for any reasons, entering the name of the Company in the revenue records is not possible, the Vendor has given an option to the Company to buy back the property at mutually agreed consideration, which shall not be less than the purchase price indicated above. Management does not expect any financial impairment of the book value of the aforesaid property considering the representations received from Mr. Rudrapratap Tripathi through his attorney and also the legal opinion obtained by the Company and accordingly no adjustments have been made to the financial statements to this effect. M/s Indian Corporation, represented by its proprietor, Mr. Rudrapratap Urmaliya Tripathi, is not a promoter, director or relative of promoter / director or employee of the Company.
- Refer Note 34 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.
- Refer Note 31 for information on Property, plant and equipment pledged as security.

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

2(a) Right-of-use Assets

<u>Gross Block</u>	<u>Right of use assets - Building</u>
Balance as at 1 April 2020	29,249.00
Additions	12,197.92
Disposals	(4,038.12)
Balance as at 31 March 2021	37,408.80
Additions	16,275.92
Disposals	(3,745.64)
Balance as at 31 March 2022	49,939.08
Accumulated depreciation	
Balance as at 1 April 2020	6,289.79
Depreciation charge	6,542.61
Reversal on disposal of assets	(1,971.56)
Balance as at 31 March 2021	10,860.84
Depreciation charge	7,696.21
Reversal on disposal of assets	(3,594.57)
Balance as at 31 March 2022	14,962.48
Net Block	
Balance as at 31 March 2021	26,547.96
Balance as at 31 March 2022	34,976.60

Note:

The land whereat 32 Wind Turbine Generators (WTG's) are installed (at Kappatgudda, Gadag District, Karnataka) is leased to Suzlon Energy Limited by Karnataka Forest Department. Consequently, Suzlon Energy Limited has transferred the lease in the favour of the Company with requisite clearances from Karnataka Forest Department.

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

3 Investment properties

	Amount
Gross carrying amounts	
Balance as at 1 April 2020	269.65
Additions	-
Balance as at 31 March 2021	269.65
Additions	-
Deletions	166.38
Balance as at 31 March 2022	103.27
Accumulated depreciation	
Balance as at 1 April 2020	25.90
Depreciation for the year	5.18
Balance as at 31 March 2021	31.08
Depreciation for the year	2.04
Reversal on disposal of assets	18.90
Balance as at 31 March 2022	14.22
Net block	
Balance as at 31 March 2021	238.57
Balance as at 31 March 2022	89.05
Fair value	
As at 31 March 2021	1,008.15
As at 31 March 2022	387.09

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	56.41	114.76
Income arising from investment properties before depreciation	56.41	114.76
Depreciation on investment properties	(2.04)	(5.18)
Income arising from investment properties (Net)	54.37	109.58

Valuation process

Company obtains independent valuation of its investment properties annually from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, Company considers current price in an active market for properties of different nature or recent prices of similar properties in less active market, adjusted to reflect those differences.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

4 Intangible Assets

	Computer software
Gross Block	
Balance as at 1 April 2020	324.53
Additions	12.94
Balance as at 31 March 2021	337.47
Additions	-
Balance as at 31 March 2022	337.47
Accumulated amortisation	
Balance as at 1 April 2020	248.80
Amortisation charge	24.55
Balance as at 31 March 2021	273.35
Amortisation charge	23.67
Balance as at 31 March 2022	297.02
Net block	
Balance as at 31 March 2021	64.12
Balance as at 31 March 2022	40.45

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
5 Investments		
Unquoted investments in equity instruments at FVTPL		
The Shamrao Vithal Co-operative Bank Limited (20,000 equity shares (31 March 2021: 20,000 equity shares) of ₹25 each fully paid up)	5.00	5.00
The Saraswat Co-operative Bank Limited (2,500 equity shares (31 March 2021: 2,500 equity shares) of ₹10 each fully paid up)	0.25	0.25
	5.25	5.25
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5.25	5.25
Aggregate amount of impairment in value of investments	-	-
6 Other Non-Current Financial Assets		
Unsecured, considered good, unless otherwise stated		
Leased premises security deposits	3,592.16	2,665.86
Other security deposits	180.27	219.09
Bank deposits with maturity of more than 12 months	2.92	0.54
Bank deposits held under lien against bank guarantee with maturity of more than 12 months	4.60	2.00
	3,779.95	2,887.49
7 Other Non-Current Assets		
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	11.05	9.86
Capital advances	1,684.49	1,138.04
Deposits with Customs and Other Government Authorities (refer to note (b) of Note 32)	772.13	735.94
Advance to suppliers, other than capital advance - Considered Doubtful	17.58	-
Less : Allowances for doubtful advances	17.58	-
	2,467.67	1,883.84

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
8 Inventories		
valued at lower of cost and net realisable value		
Raw Materials	1.94	1.33
Stores and Spares	4,583.58	3,949.88
(31 March 2022: Including Goods in transit - ₹ 1178.98 lakhs (31 March 2021: ₹ 872.92 lakhs))		
	<u>4,585.52</u>	<u>3,951.21</u>
9 Trade receivables (Unsecured, considered good, unless otherwise stated)		
Others	6,719.57	6,386.98
Receivables from related parties (refer note 42)	6.28	6.72
Trade Receivables - Credit Impaired	185.23	187.00
	<u>6,911.08</u>	<u>6,580.70</u>
Less : Allowance for doubtful debts	185.23	187.00
	<u>6,725.85</u>	<u>6,393.70</u>
Refer Note 39 for information about credit risk and market risk of trade receivables.		
Outstanding for following periods from due date of payment		
a) Undisputed Trade Receivables - Considered Good	<u>6,725.85</u>	<u>6,393.70</u>
- Not Due	3,377.44	3,425.16
- Less than 6 months	3,285.06	2,968.12
- 6 months - 1 year	48.28	0.42
- 1 - 2 years	15.07	-
b) Undisputed Trade Receivables - Credit Impaired	<u>39.66</u>	-
- 1 - 2 years	13.73	-
- 2 - 3 years	23.67	-
- More than 3 years	2.26	-
c) Disputed Trade Receivables - Considered Good	-	-
d) Disputed Trade Receivables - Considered Doubtful	<u>145.57</u>	<u>187.00</u>
- More than 3 years	145.57	187.00
10 Cash and cash equivalents		
Balances with banks		
- in current accounts	911.23	1,350.46
- in deposit accounts (with maturity upto 3 months)*	7.83	33.14
Cash on hand	425.23	409.74
Cheques / drafts on hand	54.90	73.52
	<u>1,399.19</u>	<u>1,866.86</u>
* Of these, deposits amounting to ₹ Nil are held as lien against bank guarantees. (as at 31 March 2021: ₹ 16.55 lakhs)		
11 Bank balances other than cash and cash equivalents		
- Unclaimed dividend account	11.44	9.81
- Bank deposits with maturity more than 3 months but less than 12 months	22.94	5.26
- Bank deposits held under lien against bank guarantee with maturity more than 3 months but less than 12 months	15.22	14.45
	<u>49.60</u>	<u>29.52</u>

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
12 Other Current Financial Assets		
Unsecured, considered good, unless otherwise stated		
Other receivables	162.21	226.82
Receivables from related parties (refer note 42)	21.99	20.82
Interest accrued on bank deposits	2.05	2.62
Leased premises security deposits		
- Considered Good	893.66	845.63
- Considered Doubtful	87.21	87.21
Less : Allowances for doubtful deposits	87.21	87.21
	1,079.91	1,095.89
13 Other Current Assets		
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	2,252.93	2,172.72
Advance to suppliers, other than capital advance	337.10	1,070.12
Other Advances		
- Considered Good	678.01	1,092.34
- Considered Doubtful	12.94	12.94
Less : Allowances for doubtful advances	12.94	12.94
	3,268.04	4,335.18

Notes to the Financial Statements for the year ended 31 March 2022 (Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amounts	Number	Amounts
14 Equity share capital				
Authorised share capital				
Equity shares of ₹ 10 each	12,50,00,000	12,50,00.00	12,50,00,000	12,50,00.00
0.001% Compulsorily and mandatorily convertible participatory preference shares of ₹ 100 each	1,12,00,000	11,200.00	1,12,00,000	11,200.00
	13,62,00,000	23,700.00	13,62,00,000	23,700.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	8,83,43,495	8,834.35	8,83,43,495	8,834.35
Total	8,83,43,495	8,834.35	8,83,43,495	8,834.35
a) Reconciliation of equity share capital				
Balance at the beginning of the year	8,83,43,495	8,834.35	9,03,43,495	9,034.35
Less: Buyback of shares during the year (refer note 36)	-	-	20,00,000	200.00
Balance at the end of the year	8,83,43,495	8,834.35	8,83,43,495	8,834.35
b) Rights/preferences/restrictions attached to equity shares				
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting, except interim dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.				
c) Shareholders holding more than 5% of the shares				
Equity shares of ₹ 10 each	Number	% holding	Number	% holding
Dr. Vijay Sankeshwar	2,97,92,000	33.72%	2,97,92,000	33.72%
Dr. Anand Sankeshwar	3,12,65,250	35.39%	3,12,65,250	35.39%
Nippon India - India Opportunities Fund - Series A	64,17,365	7.26%	64,17,365	7.26%
IDFC Sterling Value Fund	44,40,000	5.03%	44,40,000	5.03%
d) Shares held by the promoters at the end of the year	Number	% holding	Number	% holding
Equity shares of ₹ 10 each	Number	% Change	Number	% Change
Dr. Vijay Sankeshwar	2,97,92,000	0.00%	2,97,92,000	0.00%
Dr. Anand Sankeshwar	3,12,65,250	0.00%	3,12,65,250	0.00%
Mrs. Vani Sankeshwar	4,00,000	0.00%	4,00,000	0.00%
Mrs. Lalita Sankeshwar	21,000	0.00%	21,000	0.00%
Mrs. Bharthi Holkunde	1,750	0.00%	1,750	0.00%
Total	6,14,80,000	69.59%	6,14,80,000	69.59%
e) There are no equity shares reserved for issue under options and contracts / commitments for the sale of shares.				
f) For the period of five years immediately preceding the date of the Balance Sheet:				
i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash.				
ii) The Company has not allotted as fully paid up bonus shares.				
iii) The Company has bought back 29 lakh equity shares. Of these, 9 lakh equity shares were bought back during the year ended 31 March 2018 and 20 lakh equity shares were bought back during the year ended 31 March 2021.				
g) There are no securities convertible into equity / preference shares.				
h) There are no calls unpaid on any equity shares.				
i) There are no forfeited shares.				

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

15 Other equity

	Reserves and Surplus				
	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Total Equity
Balance as at 1 April 2020	17,685.78	9,165.64	90.00	25,711.17	52,652.58
Profit for the year				4,506.79	4,506.79
Other comprehensive income for the year (Net of Tax)				(158.38)	(158.38)
Total Comprehensive income for the year ended 31 March 2021				4,348.41	4,348.41
Amount utilised on account of buyback of shares (refer Note 36) (4,987.46)		-	-	-	(4,987.46)
Tax on buyback of shares (refer Note 36) (1,133.87)		-	-	-	(1,133.87)
Amount transferred to Capital Redemption Reserve on account of buyback of shares (refer Note 36) (200.00)		-	200.00	-	-
Transfer to General Reserve	-	450.68	-	(450.68)	-
Balance as at 31 March 2021	11,364.45	9,616.32	290.00	29,608.90	50,879.66
Profit for the year				16,011.26	16,011.26
Other comprehensive income for the year (Net of Tax)				39.02	39.02
Total Comprehensive income for the year ended 31 March 2022				16,050.28	16,050.28
Cash dividends	-	-	-	(10,601.22)	(10,601.22)
Transfer to General Reserve	-	1,601.13	-	(1,601.13)	-
Balance as at 31 March 2022	11,364.45	11,217.45	290.00	33,456.83	56,328.72

Nature and purpose of reserves

Securities Premium:

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

General Reserve:

The reserve is created out of surplus balance of profit of the Company and is a distributable reserve maintained by the Company.

Capital Redemption Reserve:

Represents reserve created during buy-back of Equity Shares as required by the Companies Act 2013 and it is a non-distributable reserve.

Retained Earnings:

Retained earnings pertain to the accumulated earnings by the Company over the years.

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
16 Borrowings				
Secured				
Term loans				
From banks	10,917.16	-	5,533.67	-
Less : Current maturities of long-term debt	(2,777.19)		(1,585.91)	
Total term loans	8,139.97	-	3,947.76	-
Current maturities of term loans		2,777.19		1,585.91
Loans repayable on demand		3,431.09		6,423.38
Working capital loan from banks				
	8,139.97	6,208.28	3,947.76	8,009.29

Nature of Security and terms of repayment for secured borrowings

Nature of Security

Term loan from bank, balance outstanding amounting to ₹10,917.16 lakhs (31 March 2021 : ₹ 5,533.67 lakhs) is secured by first charge by way of hypothecation of certain Lorries

Terms of Repayment

Repayable in 57 to 59 equal monthly instalments (EMI) from the end of the reporting period, EMI ranging between ₹ 0.14 lakhs to ₹ 22.76 lakhs along with interest and having interest rate ranging from 6.40% p.a. to 8.60% p.a. (31 March 2021 - 8.15% p.a. to 8.85% p.a.)

Working capital loan from banks are secured by:

- First charge by way of equitable mortgage on Land and Building situated at Mangaluru, Belagavi, Hubballi, Davangeri, Gulbarga, Chitradurga and Dharwad. Interest rate is 4.95% p.a. to 9.15% p.a. (31 March 2021: 7.90% p.a. to 9.15% p.a.)
- First charge by way of hypothecation of trade receivable
- First charge by way of hypothecation of inventory

The Company has used the borrowings from banks for the specific purpose for which it was taken as at the balance sheet date.

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 31.

17 Other Non-Current Financial Liabilities

Deposits from agents and others
Employee related liabilities - Driver Deposits

	As at 31 March 2022	As at 31 March 2021
	604.83	606.49
	1,021.29	928.24
	1,626.12	1,534.73

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non- current	Current	Non- current	Current
18 Provisions				
Provision for Gratuity (refer note (a) below)	1,875.96	1,134.70	1,261.15	984.95
Provision for Compensated absences (refer note (a) below)	1,033.69	285.19	808.87	265.02
	2,909.65	1,419.89	2,070.02	1,249.97

a) Employee benefits

i) Defined Contribution Plans:

The amount recognised as an expense towards Contribution to Defined Contribution Plans is as under:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employer's Contribution to Provident Fund	2,364.47	1,865.95

ii) Defined Benefit Plans

- Gratuity

I. Valuations in respect of Gratuity liability has been carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, as at the Balance Sheet Date, based on the following assumptions:

Particulars	31 March 2022	31 March 2021
Discount rate	Staff 7.02% Drivers and Hamals 5.85%	Staff 6.68% Drivers and Hamals 5.44%
Rate of increase in compensation levels	Staff 5.00% Drivers and Hamals 0.05%	Staff 5.00% Drivers and Hamals 0.05%
Estimated rate of return on plan assets	7.02%	6.68%
Attrition rate	Staff 14 % Drivers and Hamals 40 %	Staff 14 % Drivers and Hamals 40 %
Mortality rate	Indian assured lives (2012-14) Ultimate Mortality Table	Indian assured lives (2012-14) Ultimate Mortality Table

II. Amounts recognised in the Balance Sheet

Present value of obligation as at the end of the year	6,320.30	5,717.29
Fair value of plan assets as at the end of the year	3,309.63	3,471.18
Funded status- Surplus/(Deficit)	(3,010.67)	(2,246.11)
Net asset /(liability) recognised in the Balance Sheet	(3,010.67)	(2,246.11)

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

18 Provisions (Contd.)

III. Changes in present value of obligations

Particulars	31 March 2022	31 March 2021
Present value of obligation as at the beginning of the year	5,717.29	5,210.60
Current service cost	784.04	678.20
Interest cost	368.05	311.67
Actuarial (gain) / loss on obligations	(45.71)	190.45
Benefits paid	(503.37)	(673.63)
Present value of obligation as at the end of the year	6,320.30	5,717.29

IV. Changes in fair value of plan assets

Fair value of plan assets at the beginning of the year	3,471.18	2,845.83
Expected return on plan assets	229.76	204.85
Actuarial gain/(loss) on plan assets	6.44	(21.21)
Contributions	-	1,000.00
Benefits paid	(397.75)	(558.30)
Fair value of plan assets at the end of the year	3,309.63	3,471.18

V. Actual return on plan assets	236.20	183.65
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VI. Other Comprehensive Income

Remeasurements - Actuarial (gain)/ loss for the year	(52.15)	211.65
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VII. Major category of plan assets*

Gratuity scheme of Insurance Companies	100%	100%
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*In case of certain employees, the Gratuity liability is funded by payments to the trust administered by the Company.

VIII. Remeasurements - Actuarial (gain) / loss

Actuarial (Gain) / Loss due to change in demographic assumptions	-	-
Actuarial (Gain) / Loss due to change in financial assumptions	(118.61)	(23.72)
Actuarial (Gain)/ Loss due to experience adjustments	72.90	214.16
Return on Plan Assets (Greater) / Less than Discount rate	(6.44)	21.21
Total	(52.15)	211.65

IX. Expense recognised in Statement of Profit and Loss

Current service cost	784.04	678.20
Interest cost	368.05	311.67
Expected return on plan assets	(229.76)	(204.85)
Expense recognised in Statement of Profit and Loss	922.33	785.01

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

18 Provisions (Contd.)

X. Sensitivity Analysis of the defined benefit obligation:	As at 31 March 2022	As at 31 March 2021
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	6,320.30	5,717.29
i) Impact due to increase of 1.00%	(338.03)	(312.12)
ii) Impact due to decrease of 1.00%	377.63	349.18
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	6,320.30	5,717.29
i) Impact due to increase of 1.00%	358.85	329.47
ii) Impact due to decrease of 1.00%	(325.63)	(298.71)
c) Impact of change in attrition rate		
Present value of obligation at the end of the period	6,320.30	5,717.29
i) Impact due to increase of 1.00%	25.41	16.66
ii) Impact due to decrease of 1.00%	(28.54)	(18.92)

XI. The following payments are expected contributions to the defined benefit plan in future years:

2022	-	864.64
2023	946.45	705.68
2024	685.94	571.33
2025	555.75	501.22
2026	439.18	457.28
2027	390.28	-
Thereafter	3,302.69	5,968.22

XII. The Company expects to contribute around ₹ 656.12 lakhs to the funded plans in financial year 2022-23 towards Gratuity Liability.

- Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the year is ₹ 323.31 lakhs (31 March 2021: ₹ 332.16 lakhs).

Company assesses the assumptions with the projected long-term plans of growth and prevalent industry standards.

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
19 Trade Payables		
Micro and small enterprises	2.94	10.07
Payables to related parties (refer note 42)	10.04	4.32
Others	1,992.91	1,341.02
	2,005.89	1,355.41

Refer Note 39 for information about liquidity risk and market risk of trade payables.

- a) The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said MSMED Act is as under:

	31 March 2022	31 March 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	2.94	10.07
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

- b) Outstanding for following periods from due date of payment

	As at 31 March 2022	As at 31 March 2021
i. Undisputed MSME	2.94	10.07
- Less than 1 year	2.94	10.07
ii. Undisputed Others	2,002.95	1,345.34
- Less than 1 year	1,994.73	1,338.22
- 1 - 2 years	2.14	5.12
- 2 - 3 years	2.00	-
- More than 3 years	4.08	2.00
iii. Disputed MSME	-	-
iv. Disputed Others	-	-

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
20 Other Financial Liabilities		
Interest accrued but not due on borrowings	40.82	20.98
Unclaimed dividends*	11.44	9.81
Refund towards ticket cancellation	1.67	70.81
Employee related liabilities	3,602.03	3,139.56
Other accrued liabilities	1,532.86	2,061.70
Payables for capital expenditure	7.24	43.44
	5,196.06	5,346.30

*There are no amounts due to be transferred to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013, as at the year end.

21 Other Current Liabilities		
Advance from customers	1,133.66	859.60
Statutory dues	849.22	619.40
Unpaid CSR liability (refer Note 37)	-	50.00
	1,982.88	1,529.00

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
22 Revenue from operations		
Sale of products		
Sale of power	1,834.20	1,757.44
Sale of CERs	691.49	-
Sale of services		
Goods transport	2,12,452.51	1,58,307.60
Bus operations	20,371.39	12,962.18
Income from hotel operations	112.36	71.38
Transport of passengers by air	1,113.38	1,182.37
Courier service	1,285.73	967.40
Other operating revenues		
Sale of scrap materials	1,503.10	1,042.56
Advertisement income	1.09	1.31
	2,39,365.25	1,76,292.24
23 Other income		
Rent income	540.01	552.14
Interest income	28.46	4.80
Dividend income from equity investment designated at FVTPL	0.71	0.15
Profit on sale of Property, plant and equipment (Net) (Refer Note 2(1))	430.47	70.81
Interest income resulting from fair valuation of security deposits	329.13	217.80
Miscellaneous income	352.51	440.79
	1,681.29	1,286.49

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
24 Freight, handling and servicing cost		
Lorry hire	16,163.97	12,007.60
Aircraft hire charges	-	21.35
Diesel cost	74,220.53	51,292.94
Vehicle running, repairs and maintenance (net)	11,592.36	10,121.77
Stores and spares consumed	5,933.77	4,175.07
Tyres, flaps and re-treading	5,667.16	4,403.32
Bridge and toll charges	14,676.10	11,446.98
Repairs and maintenance		
Plant and equipment and aircraft	1,409.45	1,585.94
Buildings	767.38	559.21
Others	211.32	167.54
Security charges	229.06	242.11
Power	682.27	577.86
Wind turbine generator operation and maintenance expenses	629.84	567.57
Rent	4,130.78	2,915.39
Vehicle taxes	3,044.65	2,543.02
Insurance	2,183.67	2,149.55
Agency commission	4,277.64	3,211.30
Hamali charges	12,945.02	9,881.91
Clearing and forwarding charges	111.02	113.18
Claims	226.53	148.20
Hotel operating expenses	62.89	42.83
	1,59,165.41	1,18,174.64
25 Employee benefits expense		
Salaries, wages and bonus	31,804.96	26,942.55
Contribution to provident and other funds (refer Note 18(a))	3,065.73	2,444.46
Gratuity and compensated absences	1,245.66	1,117.17
Staff welfare expenses	1,086.04	961.38
	37,202.39	31,465.56
26 Finance costs		
Interest on borrowings	1,135.02	1,293.80
Interest on security deposit from agents	15.02	14.05
Interest on lease liability	3,149.53	2,353.77
Other borrowing costs	9.61	20.34
	4,309.18	3,681.96

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
27 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 2)	9,077.84	9,406.67
Depreciation on right-of-use assets (refer note 2(a))	7,696.21	6,542.61
Depreciation of investment properties (refer note 3)	2.04	5.18
Amortisation of intangible assets (refer note 4)	23.67	24.55
	16,799.76	15,979.01
28 Other expenses		
Travelling and conveyance	618.96	361.59
Printing and stationery	315.11	252.88
Legal and professional fees	414.72	253.23
Payment to auditors (refer details below)	69.15	72.57
Office expenses	137.66	154.50
Communication costs	318.97	350.41
Advertisement and business promotion	174.95	61.81
Bad debts/advances written off	51.27	1.36
Allowance for doubtful advances and debts	15.81	30.78
Loss/(Gain) of Foreign Exchange	22.33	-
Bank charges	142.67	57.85
Donation	2.29	0.52
Directors' sitting fees	14.16	10.09
Miscellaneous expenses	47.07	35.62
Corporate Social Responsibility expenses (refer Note 37)	235.46	260.28
	2,580.58	1,903.49
Payment to auditors (including taxes)		
As auditor:		
Audit fee	64.90	72.57
In other capacity		
Certification work	4.25	-
	69.15	72.57

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
29 Tax expense		
Current tax expense	5,750.00	1,817.38
Deferred tax	(552.10)	49.90
Current tax adjustments pertaining to earlier years	(219.94)	-
	4,977.96	1,867.28
29.1 Tax reconciliation (for profit and loss)		
Profit before income tax expense	20,989.22	6,374.07
Tax at the rate of 25.168% (PY : 25.168%)	5,282.57	1,604.23
Current tax adjustments pertaining to earlier years	(219.94)	-
Current tax expense	5,062.63	1,604.23
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Depreciation	51.49	100.12
Donation	0.58	0.13
Corporate Social Responsibility expenses	59.26	65.51
Rent from Building - considered separately	(14.20)	(28.88)
Expense amount for Gratuity transferred to OCI	(13.13)	53.27
Non-taxable capital gains on compulsory acquisition of Land	(34.63)	-
Income from house property	9.94	20.22
Differential tax rate on capital gains on sale of Land	-	(6.78)
Differential tax rate on sale of CERS	(82.98)	-
Other tax deductions	(61.00)	59.46
Tax expense for the year	4,977.96	1,867.28

29.2 The movement in deferred tax assets and liabilities during the year ended 31 March 2021 and 31 March 2022 are as follows:

Particulars	As at 01 April 2020 Deferred tax Asset/(Liabilities)	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) directly to equity	Credit/(charge) in statement of Other comprehensive income	As at 31 March 2021 Deferred tax Asset/ (Liabilities)
Depreciation / Amortisation	(6,783.24)	147.43	-	-	(6,635.81)
Allowance for doubtful debts and advances	64.52	7.75	-	-	72.27
Provision for Gratuity, compensated absences and lease equalisation	1,067.85	(285.54)	-	53.27	835.58
Provision for bonus	364.11	(49.66)	-	-	314.45
Difference in book values and tax base values of ROU asset and Lease liability	882.52	130.15	-	-	1,012.67
Total	(4,404.24)	(49.87)	-	53.27	(4,400.84)

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

Particulars	As at 01 April 2021 Deferred tax Asset/(Liabilities)	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) directly to equity	Credit/(charge) in statement of Other comprehensive income	As at 31 March 2022 Deferred tax Asset/ (Liabilities)
Depreciation / Amortisation	(6,635.81)	56.26	-	-	(6,579.54)
Allowance for doubtful debts and advances	72.27	3.98	-	-	76.25
Provision for Gratuity, compensated absences and lease equalisation	835.58	267.21	-	(13.13)	1,089.66
Provision for bonus	314.45	20.25	-	-	334.70
Difference in book values and tax base values of ROU asset and Lease liability	1012.67	146.90	-	-	1,159.57
Others	-	57.48	-	-	57.48
Total	(4,400.84)	552.08	-	(13.13)	(3,861.89)

30 Earnings per share

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net profit after tax attributable to equity shareholders	16,011.26	4,506.79
Movement in Equity Share Capital	Number	Number
Opening balance	8,83,43,495	9,03,43,495
Add: Issue of share capital	-	-
Less: Buyback of shares during the year (refer note 36)	-	20,00,000
Closing balance	8,83,43,495	8,83,43,495
Number of shares outstanding	8,83,43,495	8,83,43,495
Weighted average number of shares outstanding during the year – Basic and Diluted	8,83,43,495	9,02,99,660
Basic and Diluted earnings per share (₹)	18.12	4.99
Nominal value per equity share (₹)	10.00	10.00

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

31 Assets Pledged as security

	As at 31 March 2022	As at 31 March 2021
Current Assets		
Financial Assets		
<i>Floating Charge</i>		
Trade receivables	6,725.85	6,393.70
	6,725.85	6,393.70
Non Financial Assets		
<i>Floating Charge</i>		
Inventories	4,585.52	3,951.21
Total Current assets pledged as security	11,311.37	10,344.91
Non Current Assets		
Land	494.04	494.04
Building	847.01	785.23
Vehicles	10,918.62	6,642.04
Total non-current assets pledged as security	12,259.67	7,921.31
Total assets Pledged as security	23,571.04	18,266.22

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

32 Contingent Liabilities not provided for

Particulars	As at 31 March 2022	As at 31 March 2021
A] Claims against the Company not acknowledged as Debts		
Income tax matters	1,744.74	1,711.39
Customs duty (refer note (b) below)	1,569.02	1,569.02
Service tax matters	639.40	639.40
Goods and Services tax	19.34	19.34
ESIC matter	-	12.92
Additional bonus that may be payable	202.00	202.00
Total (A)	4,174.50	4,154.07
B] Disputed claims pending in Courts	260.31	214.21
C] Guarantees given on behalf of the Company by banks	4.00	4.00
D] Other contractual matters		
(i) Claims not received against goods transport consignments	83.12	31.69
(ii) Lease liabilities	72.70	72.70
Total	4,594.63	4,476.67

E] The Department of Stamps and Registration, Government of Karnataka had issued a notice towards stamp duty payable on acknowledgment of delivery of a letter, article, document, parcel, package or consignment, given by the Company to the sender of such letter, article, document, etc. in accordance with the Karnataka Stamp Act, 1957 (Article- 1 (ii) of the Schedule). The Company has challenged the constitutional validity of the said provision by way of Writ Petition before the Honourable High Court of Karnataka, Circuit Bench at Dharwad. The Writ Petition came-up for hearing and subject to deposit of a sum of ₹ 25 lakhs, the Authorities have been directed not to take any coercive action and also to determine the Stamp Duty liability. The Company has paid the deposit of ₹ 25 lakhs, disclosed under Other Non-current assets in the books of account, but the quantum of Stamp Duty payable is yet to be arrived at by the Department. In the opinion of the Management, no financial liability is expected to arise in this regard. The financial liability that may ultimately devolve upon the Company is currently not ascertainable and as such no amount has been included as contingent liability towards the same.

Notes:-

- a. The Company is in appeal against demands on Income Tax, Customs duty, service tax, goods and services tax and ESIC dues.
- b. Customs duty liability is in respect of alleged violation of terms and conditions of Non Scheduled Air Transport Service, as claimed by the Customs Department to the extent it can be quantified. The said department has issued a Show cause cum demand notice alleging violation of terms and conditions of Non Scheduled Air Transport Service and demanded, amongst others, customs duty on the import of aircraft, interest and penalty/fine thereon. The Company had earlier availed of the exemption available under the Customs Act, 1962 (the 'Act') and was accordingly assessed to Nil duty under the Act. The Company has deposited the Customs duty, including interest thereon, without prejudice to further rights. These payments amounting to Rs. 688.05 lakhs have been disclosed under Other Non-current assets in the books of account. The Company has already filed the necessary response to the demand notice and expects a favourable order in this regard.
- c. The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified
- d. Future cash outflows in respect of (A) above can be determined only on receipt of judgments/decisions pending with various forums/authorities.
- e. The amount disclosed in respect of (B) above represents the estimated liability based on independent legal opinion obtained by the Management in relation to the various cases of Motor Vehicle Accidents, Consumer disputes, Workmen compensation, etc. filed against the Company.

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

33 The Honourable Supreme Court, has passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Management, based on legal advice obtained, is of the view that the principles enumerated in the judgement is not applicable to the Company considering the nature of allowances paid and the manner in which it is paid on selective basis to the employees and workers of the Company.

34 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 34,800.44 lakhs (net of advances of ₹ 79.53 lakhs) (31 March 2021: ₹ 4,127.46 lakhs (net of advances of ₹ 1,399.11 lakhs))

35 Certified Emission Reductions Credits

In earlier years, the Company had recognised income by trading complete amount of possible Green House Gas (GHG) emission reductions generated by its Windmill project. The Company's Clean Development Mechanism (CDM) project is registered with the United Nations Framework Convention on Climate Change (UNFCCC) and necessary approvals for the trade of carbon credits have been procured.

During the year, the Company has sold 3,06,448 Certified Carbon Emission Reductions units (CERs) for a consideration amounting to Rs. 691.49 Lakhs.

The Company has Certified Emission Reductions (CERs) balance of 11,563 units as on 31 March 2022 (306,448 units as on 31 March 2021) (net of 2% CDM administration fees) for the period 1 January 2009 to January 2018 which has been certified.

The Company has Certified Emission Reductions (CERs) balance of 65,812 units as on 31 March 2022 (net of 2% CDM administration fees) for the period 1 January 2018 to January 2019 which is under certification and pending to be issued.

The financial impact of outstanding CERs remains unrecognised in the books of account, the impact of which, as per the Management, is not expected to be material to the financial statements.

36 Buyback of Equity Shares

The Board of Directors of the Company in their meeting held on February 6, 2021, had approved the proposal for Buy-back of the Company's equity shares in accordance with Article 63 of the Articles of Association of the Company and pursuant to the provisions of Sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder and in compliance with the SEBI Buy-back Regulations, 2018, ("SEBI Regulations") as amended. The Board had opted for the "Open Market Buy back through Stock Exchanges" as permitted under the SEBI Regulations. Accordingly, the Buy-back by the Company comprised of purchase of fully paid up Equity Shares for an aggregate amount not exceeding ₹ 6,000 lakhs, ("Maximum Buy-back Size"), being 9.73% of the total paid up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2020, at a price not exceeding ₹ 300 per Equity Share ("Maximum Buyback Price") from its shareholders / beneficiary owners of the Company excluding promoters, promoter group companies, under the SEBI Regulations and the Act. The Maximum Buyback Price excludes transaction and other related costs. Based on the Maximum Buyback Price and for Maximum Buyback Size, the maximum number of Equity shares that could be bought back was 20,00,000 Equity shares ("Maximum Buyback Shares").

The Company had, based on the above approval, bought back 20,00,000 fully paid-up Equity shares at an average rate of ₹ 253.36 per fully paid-up Equity share having a face value of ₹ 10 each, resulting in cash outflow of ₹ 5,187.46 lakhs (including transaction costs and Buy-back related expenses of ₹ 120.21 lakhs), amounting to 86.46% of Maximum Buy-back size. In line with the requirements of section 52 of the Act, an amount of ₹ 4,987.46 lakhs has been utilized from the Securities Premium for the Buy-back. An amount of ₹ 1,133.87 lakh was incurred on account of Income-tax on Buy-back, which has also been adjusted from the Securities Premium. The Equity shares so bought back have been extinguished and the amount of Issued and Paid-up Share Capital stands amended accordingly in the books of account of the Company.

37 Contribution towards Corporate Social Responsibility (CSR)

	31 March 2022	31 March 2021
Gross Amount to be spent by the Company during the year	208.41	259.13
Amount approved by the Board to be spent during the year	235.46	260.28
Amount spent during the year		
Particulars		
For CSR activities other than acquisition / construction of assets		
- In Cash	235.46	210.28
- Yet to be paid	-	50.00
	235.46	260.28
Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (Ind-AS) 24, Related Party Disclosures.	-	-
Corporate Social Responsibility expenses in excess of obligation of current year, to be set off against the required 2% CSR expenditure upto the immediately succeeding three financial years i.e. upto the financial year ended March 31, 2025.	27.05	-

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

38 Leases

Particulars	As at 31 March 2022	As at 31 March 2021
The Balance sheet discloses the following amounts relating to leases:		
Right-of-use assets		
Buildings	34,976.60	26,547.96
	34,976.60	26,547.96
Lease liabilities		
Current	9,502.25	7,885.38
Non-current	29,809.98	22,334.10
	39,312.23	30,219.48

Amounts recognised in statement of profit and loss	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation charge on Right-of-use assets		
Buildings	7,696.21	6,542.61
Interest expense included in finance cost	3,149.53	2,353.77
Expense relating to short-term leases	4,130.78	2,915.39
Total cash outflow for leases during current financial year (excluding short term leases)	10,181.63	8,778.64
Additions to the right of use assets	16,275.92	12,197.92

During the previous year, in view of the raging COVID-19 pandemic and the nationwide lockdown announced by the Central Government on 24 March 2020, the operations of the Company were totally shut down during the month of April 2020. Concession of lease rent was sought from the lessors / licensors of the leased / licensed properties occupied by the Company across India for the month of April 2020. Several lessors / licensors assented to either a complete concession or partial lease rent concession, totally amounting to ₹ 446.70 lakhs (including non-refundable GST amounting to ₹ 48.46 lakhs). The Company had applied the practical expedient under Ind AS 116 Leases, inserted vide Notification No. G.S.R. 463(E) dated July 24, 2020, for the above mentioned rent concession amounting to ₹ 446.70 lakhs, which was granted on account of the COVID-19 pandemic and the same was recognised as a reduction from 'rent expenses' in the financial statements.

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

39 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities of the Company are under the amortised cost measurement category at each of the reporting dates except Equity investments which are recognised and measured at fair value through profit or loss.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's financial assets and financial liabilities

Category	31 March 2022			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities				
Borrowings (including current maturities of long-term debt)	10,917.16	-	-	10,917.16
Lease Liabilities	39,312.23	-	-	39,312.23
Other financial liabilities	1,626.12	-	-	1,626.12
Financial assets				
Non-current security deposits	3,592.16	-	-	3,592.16
Other financial assets	187.79	-	-	187.79
FVTPL financial investments	5.25	-	-	5.25

Category	31 March 2021			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities				
Borrowings (including current maturities of long-term debt)	3,947.76	-	-	3,947.76
Lease Liabilities	30,219.48	-	-	30,219.48
Other financial liabilities	1,534.73	-	-	1,534.73
Financial assets				
Non-current Security deposits	2,665.86	-	-	2,665.86
Other financial assets	221.63	-	-	221.63
FVTPL financial investments	5.25	-	-	5.25

- During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

- The carrying amounts of Security deposits (current), trade receivables, other current financial assets, cash and cash equivalents, current fixed deposits with banks, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to their fair value, since those are current in nature.

- The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of indirectly observable inputs.

Valuation process

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

39 Fair value measurements (Contd.)

Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments.

The Company is exposed to market risk, credit risk and liquidity risk. Company's senior management oversees the management of these risks. It is Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair value or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

I. Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company does not have significant exposure to the risk of changes in market interest rates as Company's long-term debt obligations is at fixed interest rates.

II. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However, the Company is not exposed to foreign currency risk since it has no unhedged exposure as at reporting date.

b) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

Liquidity risk management

Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2022

Particulars	On demand	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings	3,431.09	2,818.01	2,523.18	2,420.97	3,195.82	14,389.07
Lease liabilities	-	9,129.28	7,764.33	5,527.58	42,285.02	64,706.21
Other financial liabilities	-	5,155.24	1,626.12	-	-	6,781.36
Trade payables						
Undisputed:						
- MSME	-	2.94	-	-	-	2.94
- Others	-	2,002.95	-	-	-	2,002.95
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Notes to the Financial Statements for the year ended 31 March 2022
(Rupees in Lakhs, except for share data, and if otherwise stated)

39 Fair value measurements (Contd.)

As at 31 March 2021

Particulars	On demand	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings	6,423.38	1,606.89	878.25	1,721.75	1,347.76	11,978.03
Lease liabilities		7,820.69	6,131.71	4,827.55	35,378.00	54,157.95
Other financial liabilities		5,325.32	1,534.73	-	-	6,860.05
Trade payables						
Undisputed:						
- MSME	-	10.07	-	-	-	10.07
- Others	-	1,345.34	-	-	-	1,345.34
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

c) Credit risk

Credit risk arises from cash and bank balances, current and non-current financial assets, trade receivables and other financial assets carried at amortised cost.

Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable.

Bank balances are held with only high rated banks. Trade receivables are generally recovered within the credit period. Accordingly, the provision for impairment is considered immaterial. Also, trade receivables are monitored on periodic basis for any non-recoverability of the dues.

Trade receivables:

The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

Balance as at 31 March 2022	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
- considered good	3,377.44	3,285.06	48.28	15.07	-	-	6,725.85
- which have significant increase in credit risk.	-	-	-	-	-	-	-
- credit impaired	-	-	-	13.73	23.67	2.26	39.66
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	145.57	145.57
Balance as at 31 March 2021	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
- considered good	3,425.16	2,968.12	0.42	-	-	-	6,393.70
- which have significant increase in credit risk.	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	187.00	187.00

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

39 Fair value measurements (Contd.)

The expected credit loss analysis on these trade receivables is given in below table:

Particulars	Amount
As at 1 April 2020	185.00
Provision for doubtful debts	2.00
Bad debts	-
As at 31 March 2021	187.00
Provision for doubtful debts	39.66
Bad debts	41.43
As at 31 March 2022	185.23

40 Capital management

40.1 Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Company may adjust the amount of dividends paid to shareholders.

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings #	14,389.07	11,978.03
Less: Cash and cash equivalents	(1,399.19)	(1,866.86)
Net debt	12,989.88	10,111.17
Equity	65,163.07	59,714.01
Capital and net debt	78,152.95	69,825.18
Gearing ratio	16.62%	14.48%

#Borrowings for the above purpose includes non-current borrowings, current borrowings, current maturities of non current borrowings and Interest accrued but not due on borrowings.

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

40 Capital Management (Contd.)

40.2 Net debt reconciliation

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	1,399.19	1,866.86
Non-current borrowings (including current maturities)	(10,917.16)	(5,533.67)
Current borrowings	(3,431.09)	(6,423.38)
Lease liabilities	(39,312.23)	(30,219.48)
Interest payable	(40.82)	(20.98)
Net Debt	(52,302.11)	(40,330.65)

Particulars	Cash and cash equivalents	Non-current borrowings (including current maturities)	Current borrow- ings	Lease liabilities	Interest Payable	Total
Net debt as on 1 April 2020	1,291.29	(11,864.46)	(7,066.02)	(26,512.99)	(66.64)	(44,218.82)
Non cash movement: Acquisi- tions / disposals / interest	-	-	-	(12,485.13)	-	(12,485.13)
Cash flows	575.57	6,330.79	642.64	8,778.64	-	16,327.64
Finance cost	-	-	-	-	(1,316.51)	(1,316.51)
Interest paid	-	-	-	-	1,362.17	1,362.17
Net debt as on 31 March 2021	1,866.86	(5,533.67)	(6,423.38)	(30,219.48)	(20.98)	(40,330.65)
Non cash movement: Acquisi- tions / disposals / interest	-	-	-	(19,274.38)	-	(19,274.38)
Cash flows	(467.67)	(5,383.49)	2,992.29	10,181.63	-	7,322.76
Finance cost	-	-	-	-	(1,159.65)	(1,159.65)
Interest paid	-	-	-	-	1,139.81	1,139.81
Net debt as on 31 March 2022	1,399.19	(10,917.16)	(3,431.09)	(39,312.23)	(40.82)	(52,302.11)

40.3 Dividends

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend on equity shares declared and paid during the year: Final dividend for the year ended 31 March 2021 of ₹ 4 (31 March 2020 - Nil)	3,533.74	-
Interim dividend for the year ended 31 March 2022 of ₹ 8 (31 March 2021 - Nil)	7,067.48	-
Proposed dividend on equity shares not recognised as liability: Proposed final dividend for the year ended 31 March 2022 of ₹ Nil (31 March 2021 - ₹ 4) per fully paid share	-	3,533.74

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

41 Segment Reporting

The Company's Chief Operating Decision maker - Board of Directors examines the Company's performance from a product perspective and has identified four reportable segments of its business as follows:

- **Goods transport division:** Offers services for the transportation of Goods across India using a range of road transportation solutions to the customers, including less than full truck load and full truck load. Under this segment, Company also does courier business for transportation of small parcels and documents using range of multi model solutions.

- **Bus operations division:** Offers services of transportation solutions through Buses.

- **Sale of power division:** The wind farm consists of Wind Turbine Generators (WTGs) having individual capacity of 1.25 MW.

- **Transport of passengers by air:** Offers services for the transportation of passengers by Air through the Aircrafts owned by the Company. The services are offered to the Individuals and corporate representatives.

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the product/services
- (iii) The risk return profile of individual divisions

Revenue and expenses has been accounted on the basis of their relationship to the operating activities of the segment. Income and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/ Liabilities". Inter-segment transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods/services.

No operating segments have been aggregated to form the above reportable operating segments.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Segment Revenue		
- Income from operations		
a) Goods transport	2,13,738.24	1,59,275.00
b) Bus operations	20,483.75	13,033.56
c) Sale of power	2,525.69	1,757.44
d) Transport of passengers by air	1,113.38	1,182.37
- Other operating income		
Un-allocable revenue	1,504.19	1,043.87
Net Sales/Income	2,39,365.25	1,76,292.24
Segment results		
(Profit before Interest and Taxation from each segment)		
a) Goods transport	27,052.89	14,725.79
b) Bus operations	(136.28)	(2,334.66)
c) Sale of power	748.83	80.83
d) Transport of passengers by air	(224.84)	(453.20)
	27,440.60	12,018.76
Less: Finance costs	(4,309.18)	(3,681.96)
Less: Other un-allocable expenditure net of un-allocable income	(2,142.20)	(1,962.73)
Profit before tax	20,989.22	6,374.07

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

41 Segment Reporting (Contd.)

Other Information

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Segment depreciation and amortisation		
a) Goods transport	13,210.41	11,915.24
b) Bus operations	1,271.47	1,743.08
c) Sale of power	1,077.94	1,078.20
d) Transport of passengers by air	204.38	182.52
e) Un-allocable Depreciation / Amortisation	1,035.56	1,059.97
Total	16,799.76	15,979.01
Segment revenue by location of customers:		
a) Domestic	2,38,673.76	1,76,292.24
b) Overseas	691.49	-
Total	2,39,365.25	1,76,292.24
Cost incurred on acquisition of Capital items (including capital advances):		
a) Domestic	18,611.42	3,935.26
b) Overseas	681.89	-
Total	19,293.31	3,935.26

Other Information

Particulars	As at 31 March 2022	As at 31 March 2021
The carrying amount of non-current operating assets by location of assets		
a) Domestic	1,12,334.03	93,756.04
b) Overseas	-	-
Total	1,12,334.03	93,756.04

Particulars	As at 31 March 2022	As at 31 March 2021
Assets		
a) Goods transport	1,10,293.87	89,858.07
b) Bus operations	6,139.82	5,812.70
c) Sale of power	4,219.55	5,461.41
d) Transport of passengers by air	2,622.92	3,185.64
e) Un-allocable assets	14,752.03	15,540.56
Total	1,38,028.19	1,19,858.38
Liabilities		
a) Goods transport	59,677.96	44,642.17
b) Bus operations	2,687.73	2,031.75
c) Sale of power	1.43	1.27
d) Transport of passengers by air	107.10	62.18
e) Un-allocable liabilities	10,390.90	13,407.00
Total	72,865.12	60,144.37
Capital expenditure (including capital advances)		
Total cost incurred during the year to acquire segment assets		
a) Goods transport	16,061.36	2,050.78
b) Bus operations	1,745.43	619.64
c) Sale of power	-	-
d) Transport of passengers by air	210.40	471.49
e) Un-allocable capital expenditure	1,276.12	793.35
Total	19,293.31	3,935.26

Considering the nature of business of the Company in which it operates, the Company deals with various customers. Consequently, none of the customer contribute materially to the revenue of the Company.

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

42 Related party disclosures

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

a) Names of related parties and description of relationship:

Key Management Personnel (KMP) and their relatives	a. Dr. Vijay Sankeshwar (Chairman & Managing Director)
	b. Dr. Anand Sankeshwar (Managing Director)
	c. Mr. Kalliveerappa Umesh (Executive Director)
	d. Mr. Ramanand Laxminarayan Bhat (Executive Director)
	e. Mrs. Vani Sankeshwar (President) - relative of director
	f. Mrs. Lalitha Sankeshwar - relative of director
	g. Mrs. Bharati Holkunde - relative of director
	h. Mr. Sunil Nalavadi (Chief Financial Officer)
	i. Mr. Aniruddha Phadnavis (Company Secretary)
Non Executive Directors and Independent Directors (with whom transactions have taken place)	a. Dr. Prabhakar Kore
	b. Mr. Gurudas Narekuli
	c. Dr. Raghottam Akamanchi
	d. Mrs. Medha Pawar
	e. Mr. Shankarasa Ladwa
	f. Dr. Anand Pandurangi
	g. Dr. Ashok Shettar
	h. Mrs. Smriti Bellad
Enterprises in which KMP or their relative have significant influence (with whom transactions have taken place)	a. Aradhana Trust
	b. Ayyappa Bhaktha Vrunda Trust
	c. Shiva Agencies
	d. Sankeshwar Minerals Private Limited
	e. Sankeshwar Printers Private Limited
	f. VRL Media Private Limited (formerly known as VRL Media Limited)
	g. VRL employees Group Gratuity Trust
	h. VRL Foundation
	i. Vijayanand Infotech Private Limited
	j. Hyperconnect Technologies Private Limited
	k. VRL Electronics Private Limited
	l. Vijayanand Institute of Technologies
	m. Welldone Cinemas LLP

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

42 Related party disclosures (Contd.)

b) Disclosures of transactions between the Company and its related parties, along with outstanding balances as at year end

Nature of transactions	Name of the Party	Nature of relationship	Year ended 31 March 2022	Year ended 31 March 2021
Income				
Rent	Sankeshwar Minerals Private Limited	Enterprise in which KMP or their relative have significant influence	0.67	0.63
	Welldone Cinemas LLP		0.88	-
	VRL Media Private Limited		221.39	193.35
Freight	Sankeshwar Minerals Private Limited	Enterprise in which KMP or their relative have significant influence	14.98	12.85
	Sankeshwar Printers Private Limited		5.50	2.01
	Shiva Agencies		-	0.21
	VRL Media Private Limited		200.07	122.68
	Welldone Cinemas LLP		0.57	-
	Dr. Vijay Sankeshwar		-	1.25
Ticket Collection	Welldone Cinemas LLP	Enterprise in which KMP or their relative have significant influence	1.57	-
Reimbursements	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	0.97	0.91
	Welldone Cinemas LLP		0.38	-
Advertisement	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	1.09	0.68
Transport of passengers by air	Dr. Anand Sankeshwar	Key Managerial Personnel (KMP) and their relatives	20.65	12.67
		Total	468.73	347.25

Expenditure/Payments

Remuneration/ Commission including leave encashment paid #	Dr. Vijay Sankeshwar	KMP	434.00	309.08
	Dr. Anand Sankeshwar	KMP	300.00	280.00
	Mr. Sunil Nalavadi	KMP	42.04	37.93
	Mr. Aniruddha Phadnavis	KMP	38.44	34.64
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	18.00	16.95
	Mr. Ramanand Laxminarayan Bhat	KMP	144.04	118.84
	Mr. Kalliveerappa Umesh	KMP	144.04	123.34
Dividend paid	Dr. Vijay Sankeshwar	KMP	3,575.04	-
	Dr. Anand Sankeshwar	KMP	3,751.83	-
	Mr. Ramanand Laxminarayan Bhat	KMP	0.25	-
	Mr. Kalliveerappa Umesh	KMP	0.21	-
	Mrs. Vani Sankeshwar	KMP /Relative of KMP	48.00	-
	Mrs. Lalitha Sankeshwar	Relative of KMP	2.52	-
	Mrs. Bharati Holkunde	Relative of KMP	0.21	-

Notes to the Financial Statements for the year ended 31 March 2022

(Rupees in Lakhs, except for share data, and if otherwise stated)

42 Related party disclosures (Contd.)

Director Sitting fees (excluding taxes)	Dr. Prabhakar Kore	Independent Director	1.20	0.75
	Mrs. Medha Pawar	Independent Director	2.85	1.50
	Mr. Gurudas Narekuli	Independent Director	1.50	1.20
	Mrs. Smriti Bellad	Independent Director	0.45	0.30
	Mr. Shankarasa Ladwa	Independent Director	2.25	2.25
	Dr. Anand Pandurangi	Independent Director	1.05	0.75
	Dr. Ashok Shettar	Non Executive Director	1.05	0.30
	Dr. Raghottam Akamanchi	Non Executive Director	1.65	1.50
Printing and stationery	Sankeshwar Printers Private Limited	Enterprise in which KMP or their relative have significant influence	28.72	30.66
Advertisement expenses	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	63.15	39.41
Beverages Expenses	Sankeshwar Minerals Pvt. Ltd.	Company in which KMP or their relative have significant influence	1.29	-
Gratuity contribution	VRL Logistics Employees Group Gratuity Trust	Employees' Benefit Plans where there is significant influence	-	1,000.00
		Total	8,603.78	1,999.40

Balance as at year end:

Nature of balance	Name of the Party	Nature of relationship	As at 31 March 2022	As at 31 March 2021
Assets:				
Receivables	Shiva Agencies	Enterprise in which KMP or their relative have significant influence	-	0.02
	Sankeshwar Minerals Private Limited		0.72	0.94
	Sankeshwar Printers Private Limited		0.12	0.02
	Welldone Cinemas LLP		0.57	-
	VRL Media Private Limited		26.86	26.55
		Total	28.27	27.53

42 Related party disclosures (Contd.)

Liabilities:

Payables	Sankeshwar Printers Private Limited	Enterprise in which KMP or their relative have significant influence	-	0.39
	VRL Media Private Limited		9.96	3.93
	Sankeshwar Minerals Private Limited		0.08	-
Remuneration / Commission payable	Dr. Vijay Sankeshwar	KMP	83.90	22.14
	Dr. Anand Sankeshwar	KMP	14.15	15.46
	Mrs. Vani Sankeshwar	Relative of KMP	0.48	1.24
	Mr. Sunil Nalavadi	KMP	2.25	2.30
	Mr. Aniruddha Phadnavis	KMP	2.66	2.51
	Mr. Kalliveerappa Umesh	KMP	8.82	7.61
	Mr. Ramanand Laxminarayan Bhat	KMP	8.55	7.61
		Total	130.85	63.19

Terms and conditions of transactions with related parties :

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs vide cash/bank payment. There have been no guarantees received or provided for any related party receivables or payables. For the year ended 31 March 2022, Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Company

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits:		
- Salaries including bonuses	1,120.56	920.78

This amount does not include amount in respect of gratuity and compensated absences as the same is not determinable.

43 Analytical Ratios

Ratio analysis and its elements

Particulars	As at March 31, 2022	As at March 31, 2021	Change %	Reason for more than 25% change
Current Ratio	0.65	0.68	(5.60)	
Debt - equity Ratio	0.82	0.71	16.62	The increase in the ratio is on account of additional borrowings made by the Company to incur capital expenditure during the current year and increase in lease liabilities on account of additional premises taken on long term leases for expansion of the Company's operations.
Debt Service Coverage Ratio	1.86	1.23	50.23	The improvement in Debt Service coverage ratio is due to 1.54 times increase in EBIDA from ₹ 24,133.32 lakhs to ₹ 37,095.57 lakhs.
Return on Equity	25.64%	7.42%	245.38	The improvement in RoE is due to 3.55 times increase in PAT of the Company from ₹ 4,506.79 lakhs to ₹ 16,011.26 lakhs, with no change in equity base during the year.
Trade Receivables turnover ratio	29.29	19.55	49.85	This ratio has increased due to increase in credit sales turnover during the current year and prompt collection from credit customers.
Trade payables turnover ratio	27.36	43.20	(36.66)	This ratio has decrease due to timely payments to the vendors on account of good internal cash accruals from the operations of the Company.
Net capital turnover ratio	(25.44)	(21.54)	18.11	
Net Profit Ratio	6.69%	2.56%	161.66	The net profit for the current year has increased due to better operating margins and increase in revenue from operations.
Return on Capital employed	30.33%	13.22%	129.49	This ratio has improved due to a 3.55 times increase in Net Profit of the company during the year from ₹ 4,506.79 lakhs to ₹ 16,011.26 lakhs with a 9.81% increase in average Capital Employed from ₹ 111,761.42 lakhs to ₹ 122,726.25 lakhs.
Return on Investment	12.14%	6.79%	78.78	This ratio has improved due to increase in principal amount and interest rates of term deposits placed during the year.

Formulae used for Calculation of Key Ratios and Financial indicators:

Current Ratio = Current Assets / Current Liabilities

Debt – Equity Ratio = (Total Borrowings + Total Lease Liabilities + Accrued Interest Payable) / Shareholders' Equity

Debt Service Coverage Ratio = EBIDA / (Total Current Borrowings + Total Current Lease Liabilities + Interest on Borrowings + Interest on Lease Liabilities)

Return on Equity = Profit after Tax / Average Shareholder's Equity

Trade Receivables turnover ratio = Net Credit Sales / Average Trade Receivables

Trade Payables turnover ratio = Net Credit Purchases / Average Trade Receivables

Net capital turnover ratio = Revenue from Operations / (Current Assets - Current Liabilities)

Net Profit Ratio = Profit after tax / Revenue from Operations

Return on Equity Ratio = Net Profits after taxes / Average Shareholder's Equity

Return on capital employed (ROCE) = Earning before interest and taxes / Capital Employed

Capital Employed = Tangible Net worth + Total Borrowings + Accrued Interest Payable + Deferred Tax Liabilities

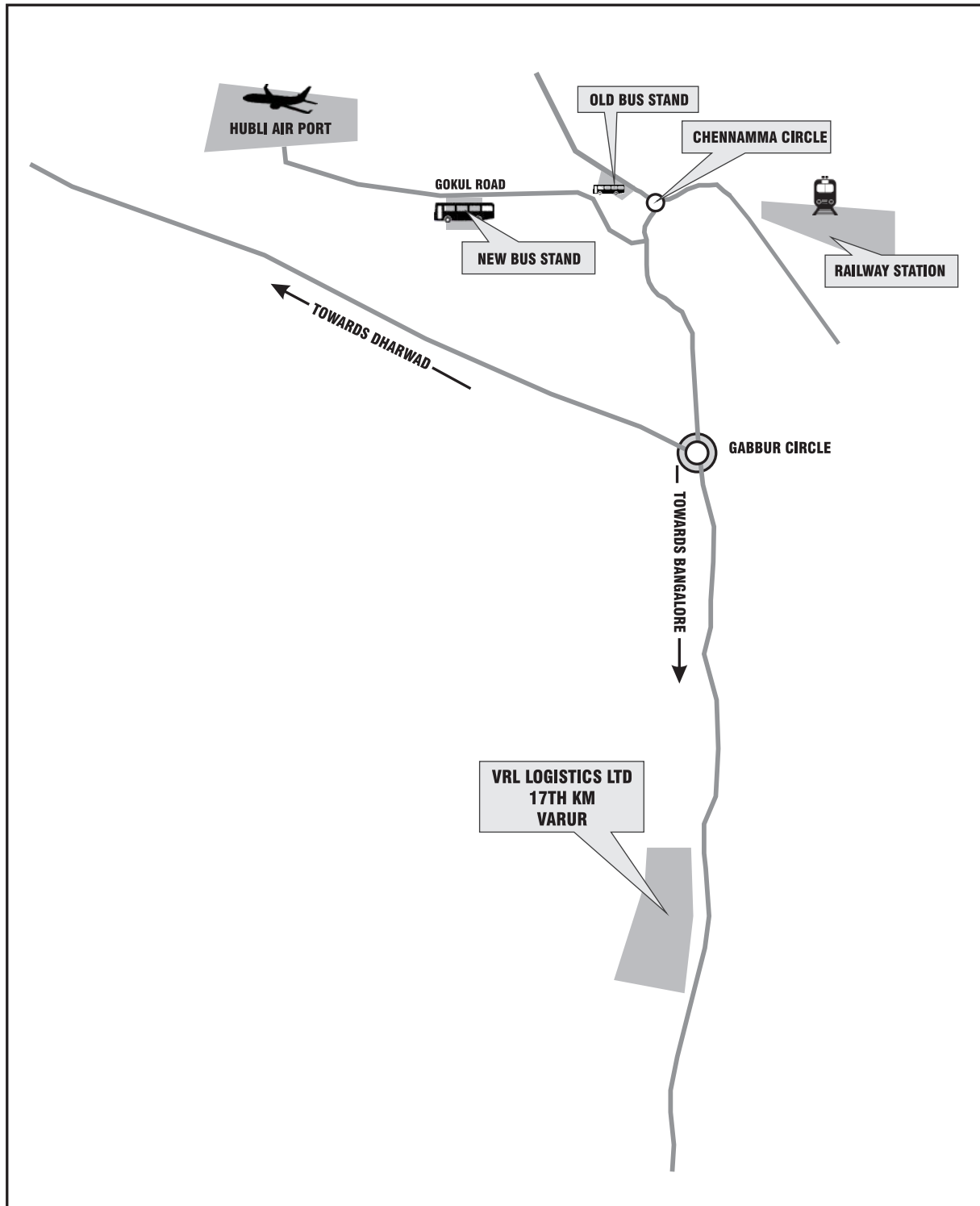
Return on investment = Income generated from invested funds (including capital gains / losses, net of taxes) / Average value of investments

44 Subsequent**Events:**

There are no subsequent events that would require adjustments or disclosures in the financial statements as at the Balance Sheet date other than the following: The Company has entered into a Memorandum of Understanding for the sale of its Wind Power Undertaking as a going concern on a Slump sale basis for an aggregate consideration of ₹ 4,800 lakhs.

- 45** a) Other information required by Schedule III to the Companies Act, 2013, has been given only to the extent applicable.
- b) Trade Receivables, Trade Payables and Advances from Customers / to Vendors balances are subject to balance confirmation and reconciliation, if any.
- c) Previous year figures have been re-grouped / re-classified to confirm to the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

Route Map to reach the Registered Office of the Company (AGM Venue)



THINK LOGISTICS TRUST VRL



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